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Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. STEVENS).

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Infinite Spirit, generous giver of life's joys, from Your vantage point of eternity look afresh into our time. Teach us to serve You as we should. Forgive us for our waste of time and opportunity. Forgive us, also, when we fail to see Your glorious image in humanity or the opportunities to please You by empowering those on life's margins. Thank You for showing us that in setting the captives free we do Heaven's work on Earth. Remind us that it is in giving that we receive, and through dying to self that we are born to eternal life.

Today, use Your Senators as servants of Your kingdom. Help each of us to be honest with ourselves and with one another. We pray this in Your sovereign Name. Amen.

PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. SUNUNU. Mr. President, this morning the Senate will conduct a period of morning business until 10:30 a.m., with the first half of the time under the control of the Democratic leader or his designee and the second

half allotted to the majority leader or his designee.

At 10:30, the Senate will resume consideration of S. 1637, the FSC/ETI bill. When the Senate resumes the bill, the Dodd amendment on outsourcing will be the pending business. A number of Senators have expressed an interest in speaking on the amendment, and it is the leader's expectation that a second-degree amendment will be offered to the Dodd amendment this morning.

For the remainder of the day, we will continue to work through amendments to the bill. Under the previous order, following the disposition of the Dodd amendment, the Senate will take up an amendment by Senator BUNNING which would accelerate manufacturing-sector tax cuts. Rollcall votes are possible during today's session, and Senators will be notified when the first vote is scheduled.

Mr. President, I yield the floor.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The Democratic leader is recognized.

CHALLENGES FACING THE UNITED STATES IN THE WESTERN HEMISPHERE

Mr. DASCHLE. Mr. President, later this week, President Bush will host Mexican President Vicente Fox for 2 days of meetings in Texas.

Three years ago, in the months after President Fox's historic election ended seven decades of one-party rule, we were all very hopeful that the United States and Mexico were prepared to move beyond decades of mistrust and miscommunication.

In the aftermath of 9/11, the Bush administration chose to relegate improved relations with our neighbor to the bottom of its priority list, unfortunately.

The meeting this week represents a long overdue but welcome step toward

regaining the lost momentum in United States-Mexico relations.

I hope the President will use the renewed public focus on Mexico this week not just for a photo opportunity but also to revive the administration's efforts to address many of the pressing challenges throughout this hemisphere.

The need for such a revival is clear. Early last month Secretary Powell told a House committee that the United States "had higher priorities" than Latin America. The fact that the United States has important priorities in the rest of the world is indisputable.

Hundreds of thousands of our young men and women are deployed throughout the Middle East. North Korea is adding to its nuclear capability, and the proliferation of weapons of mass destruction presents us with a chilling specter that terrorist groups could get their hands on the world's worst weapons.

But the sad truth is that we do not have the luxury of worrying only about the crises of the day. If we fail to attend to emerging threats today, they will quickly become tomorrow's crises. Rather than relying on diplomatic means, we will be forced into a situation so dire that only the deployment of U.S. troops—already stretched far too thinly—can stabilize the situation. For an example of this phenomenon, we need look no further than recent events in our own hemisphere.

Statements from administration officials leave the impression that the administration was caught off guard and unprepared to respond to the evolving crisis in Haiti, just 600 miles off the coast of Florida.

On February 17, Secretary Powell had this to say about Haiti:

We cannot buy into a proposition that says the elected president must be forced out of office by thugs and those who do not respect law.

But just over a week later, the White House released a statement that said:

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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This long-simmering crisis is largely Mr. Aristide's making. . . . We urge him to examine his position carefully, to accept responsibility, and to act in the best interests of the people of Haiti.

The administration's initial lack of attention and subsequent response left us with no policy levers to pull and no Haitian institutions to call upon to quell the crisis. In that situation—faced with violence and instability that threatened to lead to a refugee crisis—we deployed American Marines.

Emerging crises in the rest of the hemisphere are potentially as dire, but the administration still appears no more engaged.

Take, for example, Venezuela. Political turmoil and mismanagement have had a serious and adverse impact on economic growth in that country. In 2003, real GDP shrank by nearly 10 percent—after contracting 9 percent the year before—and inflation was the region's highest at 27.1 percent. All of this in a country that has the largest oil reserves outside the Middle East—providing the United States 14 percent of its oil—and increasingly sizable natural gas stores.

Moreover, slow economic growth may be the least of Venezuela's problems. The country is caught in a political crisis over a recall referendum that could bring the Chavez government to an abrupt end.

The situation was exacerbated by clear missteps on the part of the administration in April of 2002, when the administration overturned decades of American policy in the hemisphere by seeming to endorse, however briefly, an unconstitutional change of government. Former President Carter has done us proud by stepping in to pick up the pieces in order to ensure that the problems of this democracy can be resolved democratically.

But with deepening polarization and new developments in Venezuela each day, there is no substitute for official American leadership in pushing for the respect of democratic institutions over personalities and power.

As in Haiti, if we wait for others to take the lead in Venezuela, we will have waited too long.

There are other emerging threats to stability and democracy in the region—from Peru to Bolivia to Argentina. Economic growth is down, poverty and drug trafficking are increasing, and corruption is rampant.

Perhaps most alarming are observations from recent public surveys that anti-Americanism is approaching all-time highs while respect for democracy is reaching an all-time low.

Such a precarious time demands engagement and leadership from America. Instead, the administration has decided to limit American investments in the region this year, arguing, as I noted, that we have other priorities.

As one leading expert pointed out:

Relations between the United States and Latin America have acquired a rawness and a level of indecorum that recall previous eras of inter-America strain and discord.

It is not too late, and I hope the meeting tomorrow in Texas marks the administration's renewed interest in the hemisphere. If it does, we are prepared to work with the President and our friends in Mexico and in Argentina and in Venezuela and in Peru and in Bolivia, and in Colombia to build the institutions needed for peace, prosperity, and stability.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SUNUNU). The clerk will call the roll.

Mr. REID. Will the Senator withhold?

Mr. DASCHLE. I will.

The PRESIDING OFFICER. The assistant minority leader.

ORDER OF PROCEDURE

Mr. REID. Mr. President, on our side, we have requests for 15 minutes and 20 minutes for morning business. I checked with the majority. There would be no objections so long as they have equal time. So I ask unanimous consent that both sides have 35 minutes for morning business this morning.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. Mr. President, on the minority side, we yield 20 minutes to the Senator from Connecticut, Mr. LIEBERMAN; and then, following that, 15 minutes to the Senator from Iowa, Mr. HARKIN.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business with 35 minutes for each side equally divided, the first half of the time under the control of the Democratic leader or his designee, the second half of the time under the control of the majority leader or his designee.

Under the request of the assistant minority leader, the Senator from Connecticut is recognized.

REFLECTIONS FROM CAMPAIGN EXPERIENCE

Mr. LIEBERMAN. I thank my friend and colleague from Nevada.

Mr. President, it is now more than a month since I ended my quest for the Democratic nomination for President. It was a thrilling, demanding, purposive journey across this great country. I am deeply grateful for the opportunity I had. I learned a lot. In fact, I would recommend anyone who has the opportunity try it at least once in a lifetime. But today I want to share

with my colleagues a few serious reflections from my campaign experience about the current state of our politics and the way they may affect our work here in this election year on the great questions of our economy and our security, particularly in Iraq.

It is now clear who the Presidential nominees of the major parties will be: President Bush and Senator KERRY. Therefore, it is time for members of both parties to start thinking and talking about how we want the national campaign to be conducted at this uniquely difficult and dangerous moment in American history.

For the United States, this is a very good time, but it is also a very difficult time. We have the largest economy and the strongest military in the world. Our core values of freedom and opportunity are ascendent around the globe. In so many ways here at home we live better than any people ever have because of the truly amazing advances in medical science, telecommunications, information technology, and transportation. However, these advances and the globalization they have facilitated have also brought painful changes for millions of Americans in lost jobs, declining income, skyrocketing health care costs, and a fear of what the future may bring.

On top of that, we face an unprecedented new challenge to our security and our freedom from fanatical Islamic terrorists who brutally attacked us and our homeland on September 11, 2001.

These two new realities have made the American people more anxious about their future, than I have ever seen them before. Our confidence and our optimism must be restored. How best to do that and who can best do that is ultimately what this year's Presidential campaign is all about. Ideally, the campaign will raise our hopes, not deepen our insecurities; it will unite us, not divide us; it will strengthen us, not weaken us; it will create an environment in which our Government, including this Congress, will produce relief for some of what ails America, hopefully this year. But I can't say I am optimistic that any of these ideals will be achieved because of the rigid and reflexive partisanship that has come to dominate so much of our politics.

Warnings about factionalism are, of course, as old as our Republic, but they seem especially relevant and necessary today, when strategists from both major parties seem poised to seek electoral victory by inflaming their inner constituencies with ideological tinder and brutal personal attacks on the other party's candidates. That will only divide us more deeply and make it more difficult for us to overcome the enormous threats to our security and our prosperity.

Our political parties and Presidential candidates must find ways to differ without being destructive, to debate

without demonizing, to put our national interests ahead of special interests, to take the long view rather than the most politically expedient short view, to rise above partisan politics, to put America first.

I know the conventional wisdom is that in an election year, the breakthrough in our politics and Government I am calling for is unlikely to occur. But I also know there have been many times in our history when the proximity of an election has induced exactly the kind of leadership and consensus building that produce progress in our democracy. Congress passed and previous Presidents signed the Federal Highway Aid Act in 1956, the Civil Rights Act in 1964, the Equal Employment Opportunity Act in 1972, and welfare reform in 1996. These were all landmark pieces of legislation that required and received bipartisan cooperation in an election year.

Let us hope we can produce similar progress this year. Let us work together to lower the crushing price of health care, to develop and implement a plan to stop the bleeding of American manufacturing and service jobs, to restore fiscal responsibility to the Federal budget, to reduce the growing number of poor people in our country, to address the real threat of global warming, and to reassure the American people that we understand their anger at the contemporary culture which too often undercuts their traditional values of faith and family, of right and wrong. Let us hope we can work effectively toward those goals.

There is one area of challenge that demands more than hope, where we simply cannot afford to allow campaign-year politics to take over until after election day. That is the current crisis in Iraq.

We are at war. The lives of more than 100,000 American troops are on the line in Iraq. So, too, is the fulcrum of our present and future national security. Yes, there is violence and bloodshed, sadly, elsewhere in the world, but the impact Iraq will have on our future security and our prospects for victory in the wider war against terrorism is of the greatest magnitude. It has no equal in the world today. Our politics must catch up with that reality.

I recognize the differences of opinion about why and how we went to war in Iraq. I know they run deep and they run wide. As for myself, I remain a strong supporter of the war that removed Saddam Hussein. Yes, I have criticized the administration for some of its policies, both before and immediately after the war. But I believe deeply we cannot allow arguments about past policy to stop us from finding common ground to face the present threats in Iraq. We cannot refight the last war in Iraq against Saddam with such ferocity that we falter in fighting the terrorist insurgents that threaten Iraq and us right now.

The days between now and our election day in November will be critical

days for Iraq, as sovereignty is returned to the Iraqi people and they prepare for what we hope will be their own historic election day in December. Unless the security situation in Iraq improves dramatically, that election day may not come. The fact is, as the newspapers and media have told us in the last 2 days, there is danger in Iraq. One hundred and eighty-five people were killed on Tuesday by suicide bombings. These are threats not just to the lives and security of the Iraqi people, but they present the staggering prospect of civil war in Iraq. Together with the Iraqi people and our coalition partners, we are going to need to make critical decisions and take strong, difficult, tough actions in the upcoming weeks and months to maintain security in that country.

To do so, we here at home must transcend the partisan reflex rancor that has become the norm in American politics.

The consequences of failure in Iraq are staggering. The fact that the battle has been joined in Iraq—the historic battle between security and terror, between freedom and tyranny.

Iraq is a critical battleground now in our larger war against terrorism because the fact is that members of the same Jihadist movements that killed nearly 3,000 Americans on September 11, 2001, are now fighting alongside Saddam loyalists, systematically targeting and murdering Americans and Iraqis for working so hard to build a secure, new civil society in that country.

If we fail to stop these insurgents and lose the peace in Iraq, the Iraqi people will be condemned to chaos and relentless violence. The Middle East will be destabilized. The forces of worldwide terrorism will gain new confidence, energy, and resources to attack us.

On the other hand, establishing a stable democratizing, modernizing Iraq would be a major victory in our battle with the terrorists and our struggle to bring hope to the majority of Muslims in the world, who clearly desire peace, not war. It will show them a better way to a better future than the hatred and death that the fanatics of al-Qaida and their ilk preach. It will bring about much greater stability and opportunity throughout the Middle East.

In the weeks ahead, I intend to speak in more detail about how together we can accomplish these critical American goals. But for today, I want to concentrate on how best we can separate the challenges to us in Iraq from this Presidential campaign.

There are significant differences of opinion, clearly, between the Presidential candidates, President Bush and Senator KERRY, about our past policies in Iraq. But I don't see significant differences between them about the need to successfully finish what we have started there. Both have asserted that we must not cut and run from Iraq. We cannot allow the politics of this campaign to obscure or block that agreement, that commitment to finish our mission.

We must recapture the spirit of bipartisanship and national purpose we achieved following the September 11 attacks. It is that important. For Democrats, that doesn't mean that all debate about the war must stop. But I believe it does mean we must focus on how best to win the war we are engaged in now against terrorist insurgents. Only questioning how and why we got into the last war against Saddam is simply not enough. Doing only that is not acceptable anymore.

For the President, his party, it means not politicizing the conduct of the war in any way. As Commander in Chief, the President has a special responsibility to focus on winning the war, even in this election year—perhaps most particularly at this time.

In the months ahead, the President must make tough decisions necessary to bring security to Iraq and a better life to Iraqis, regardless of the political consequences at home because that is what will best serve America's values and security.

The fact is, both parties and our leaders must reach out to each other—difficult as that is in an election year, but it is necessary at this moment—to find a common ground that will secure our common future.

Mr. President, it is reassuring to look back across American history and find that at some of our most difficult times our predecessors in positions of power in the American Government have made sure that partisan politics ended at our Nation's borders.

Following the Second World War, for example, leaders in Congress and the White House forged a bipartisan foreign policy to combat communism. It lasted half a century and brought us to victory in the cold war. During that time, the best of our elected officials no longer saw themselves just as Democrats or Republicans. They saw themselves as Americans fighting a common enemy.

Our times demand from us that same spirit of surpassing bipartisanship in the war against terrorism, for obviously the terrorists do not distinguish among us based on our party affiliations. Each of us is their enemy because we are all Americans, so we Democrats and Republicans must, therefore, in this campaign year, see beyond the red States and the blue States to a larger cause that is as critical to the red, white, and blue as any America has ever fought for.

It is the cause of defeating Jihadist terrorists who hate us and our free and tolerant ways of life more than they love life itself, and who would, if we allow them, plunge this modern world into a primitive global religious war. For the sake of our children's futures, for the sake of America's core values, for the sake of world peace, we cannot allow that to happen.

I am a proud member of the Democratic Party and, as such, I will work for a Democratic victory in the elections this fall. I know my Republican

colleagues in this Chamber will work just as hard for a Republican victory. But during this time of war, we each must make certain that our party loyalties do not prevail over our national responsibilities.

As important as a partisan victory is to each of us, it cannot be more important than a victory over terrorism for all of us, a victory that will enable the American people to feel secure again at home, that will enable our soldiers to return from Iraq, that will enable the Iraqi people to enjoy the blessings of liberty, which it is America's historic mission to advance and defend.

A final word. On November 2 of last year, PFC Anthony D'Agostino of Waterbury, CT, was killed in Iraq. A few weeks later, I received a note from Anthony's father, Steven. I read this paragraph from it:

Please continue to support all our men and women in uniform. Please support our Commander in Chief in his resolve to obtain his objectives. Please keep America the true leader of peace in the world. Tony was our only son, our only legacy. Although this was a great loss to our family, we wish you god-speed in making the world a safer place.

The quiet, selfless strength and patriotism of the D'Agostino family have been echoed for me in other voices I have met throughout America during the last year. We must hear those voices through the sound and fury of the coming national campaign. We must assure them by our words and our deeds that we have our priorities right, that we will come together in this election year across party lines to protect their sons and daughters, to make certain that America will remain the true leader of peace and freedom in the world, and to achieve a better life for all of our people at home.

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Iowa is recognized, under the time controlled by the Democratic leader or his designee, 17 minutes.

THE SITUATION IN HAITI

Mr. HARKIN. Mr. President, I want to take a few minutes this morning to address the issue of Haiti and the events that occurred there over the last few weeks. Haiti, a country, as colleagues know, is just off the coast of Florida. Sunday morning, the democratically elected president of Haiti, Jean-Bertrand Aristide, was forced to leave office and his country on a U.S. aircraft. The armed rebellion, led by former members of the Haitian army, which I point out to colleagues was disbanded by President Aristide in 1994, and members of the paramilitary right-wing group called FRAPH, made it impossible for the Aristide government to maintain law and order.

Unfortunately, President Aristide had little choice but to leave office, as the U.S. and international community made it very clear to him they would

do nothing to protect him from the armed thugs and convicted murderers who had taken over most of the major cities in Haiti and terrorized and killed many people.

I point out to my colleagues that President Aristide's departure is hardly a voluntary decision to leave. I had several communications with President Aristide, high-ranking members of our administration, and other Members of Congress over the weekend.

On Monday, I had a very lengthy conversation with President Aristide, who had called me from the Central African Republic. I was very disturbed about reports that were circulating that he had been forcibly removed from the President's palace, put on an aircraft, and flown out of Haiti. Some of this now has been talked about in terms of whether or not he was at gunpoint or how was he forced out.

The administration is taking the position that he voluntarily resigned and got on the aircraft and they flew him out of the country. There are others who are saying that perhaps he was forced out at gunpoint.

After my long conversation with President Aristide on Monday afternoon, I am convinced of at least three things. One, President Aristide was not put in handcuffs. He was not marched at the end of a rifle and told to get on the airplane or they would shoot him. No, that did not occur. So in that contextual framework he was not "forced," "abducted," or "kidnapped" out of the country.

On the other hand, during the late afternoon of Saturday, after I had spoken with him, in the evening hours of that same Saturday, he was contacted by our ambassador in Haiti who, according to Mr. Aristide, told him he had basically three options: He could stay in Haiti and be killed and thus precipitate a bloodshed that might cost thousands of lives because we would do nothing to protect him from the armed thugs and the killers; secondly, he could leave with bloodshed, that is, he could leave after precipitating a crisis that might cost thousands of lives; or he could leave without bloodshed.

Confronted with those options, if a President such as Aristide, who is democratically elected, leaves, is that voluntary? As Congressman RANGEL said yesterday in a hearing: Under a threat to his life, Mr. Aristide had little choice but to sign a resignation letter. I would have signed one, too, Congressman RANGEL said.

That is the essence of what happened. Our Government basically left Mr. Aristide, a democratically elected President, with no options. Either leave with bloodshed or leave without bloodshed, but in either case he was leaving.

As President Aristide told me, he had an obligation to the Haitian people. He did not want to see bloodshed. He did not want to see thousands of innocent people killed. So, therefore, under that kind of duress he was forced to leave.

I was asked why the United States did not honor the Santiago treaty in 1991 signed by the United States, which clearly states that any government democratically elected in the Western Hemisphere that seeks the support of other Organization of American States member nations, when threatened with an overthrow, will be assisted? That agreement was signed by the first President Bush in 1991.

I point out a couple of things. When President Aristide was first elected in 1990, he served for a total of about 8 months, from about January through August of 1991, and then was overthrown by a military coup.

What did the first President Bush administration do? Absolutely nothing. They let the military take over and throw out a democratically elected President, at the same time that the first President Bush was signing the Santiago Resolution saying we would come to the assistance of a democratically elected government in our hemisphere if they were threatened with an overthrow.

Then President Clinton came to office the following year and we restored President Aristide to office. He had about 1 year left, because he agreed that the 3 years he spent in exile would count toward his 5-year tenure. Under the Constitution of Haiti, a President cannot succeed himself. Mr. Aristide agreed that he would abide by the constitution.

So when he came back to Haiti, he served about 1 more year and then elections were held in 1995 and he did not run, of course, because the Constitution would not let him do so. During the year he was back in Haiti, he did one significant thing. He disbanded the Haitian Army, the army that had been used for probably as much as 100 years to repress and suppress the people of Haiti. The Army had been used by one dictator after another to suppress the legitimate aspirations of the Haitian people.

After he had done that, he called me up. I remember that phone call very well when President Aristide called and said he was soon to leave office and had decided to disband the Haitian Army. I remember him telling me he did it for a couple of reasons.

President Aristide told me that Haiti did not need a military. The military had been used to repress the people. No one is going to invade us. He said they wanted to be like Costa Rica, that did not have an army and they did not need one.

Secondly, he said the military in Haiti did nothing but repress people. The military had been using up about half of the GDP of Haiti to pay for these military thugs.

Well, guess who is leading the insurgency against Aristide now? Former leaders of the old Haitian military, many of whom had left the country, at least one of whom had been Chamblain. He had been convicted in absentia because he fled the country. He had been

convicted of at least two murders, one of Guy Malary, who was a Justice Minister assassinated on the steps of the justice building in broad daylight by Mr. Chamblain and his thugs.

Mr. Chamblain, who was convicted in absentia of murder, is now one of the rebel leaders in Haiti. Guy Philippe who we keep seeing on television, is also a rebel leader. Amnesty International said he had turned a blind eye to many extrajudicial killings and murders committed by police under his command.

Well, I hope and trust that we do not support these people. I noticed in the hearing the other day in the House, Mr. Noriega, the Assistant Secretary of State for Western Hemisphere, said we did not support the violent overthrow of that man, referring to Mr. Aristide.

Well, I am sorry, Mr. Noriega, you are wrong. The United States aided and abetted, in more ways than one, the overthrow of a democratically elected government. We need some investigations.

What happened to all of the arms that we sent to the Dominican Republic in the last couple of years to patrol the border between the Dominican Republic and Haiti for drug smuggling? Reports are coming out that many of these arms we sent down there are now in Haiti in the hands of these killers and thugs: flack jackets, helmets, rifles, night vision goggles.

I don't know if it is true or not, but I am saying there are many reports that these arms we sent down there are in the hands of the armed insurgents, former members of the former Haitian military. How did they get their hands on these arms?

As Richard Holbrooke, our former Ambassador to the United Nations, said on a Sunday morning talk show, these individuals have a long history of murder and terror when they were members of the Haitian military. He said they have a long history of involvement with our intelligence services in the United States.

This needs to be investigated.

The New York Times today reported that the political crisis in Haiti is deepening. Prime Minister Neptune has declared a state of emergency and has suspended many of the rights to the Haitian people guaranteed by their constitution.

The Bush administration withdrew its support from the Aristide government because it said it was a "government of failed leadership."

I guess we get to decide whether a democratically elected government is failing or not. And if we don't like them, we have the right to go ahead and let armed thugs take over that government.

I tell you, the Bush administration has a lot to answer for, and will have a lot to answer for because of what has happened and what is happening in Haiti today.

President Aristide is gone, forced out of office, and the Bush administration

continues to sit on the sidelines and wring its hands while innocent people in Haiti continue to be killed.

I call on the administration to truly make a commitment to stabilize the security situation in Haiti by first instructing the Multinational Interim Force to collect the weapons used by the rebels who said they would disarm. If this vital step is not taken now, we are only setting ourselves and the Haitian people up for another disaster. The mandate is clear. The Multinational Interim Force should immediately disarm and arrest these thugs.

The failure to disarm the disbanded Haitian military and the paramilitary forces called FRAPH in 1994 after President Aristide had come back to office has been one of the root causes of ongoing political violence in Haiti.

We know who these thugs are and we have the mandate to arrest and turn them over to the Haitian authorities. We have arrested Baathists members of Saddam Hussein's party. We have arrested them and turned them over to the Iraqi courts. We also did this in the Balkans. Why can't we do it in Haiti? We cannot go out and arrest Mr. Chamblain, convicted of two murders? Why don't we go out and arrest him and turn him over to the Haitian courts to stand trial?

Let us show the Haitian people we are committed to ensuring that the democratic process works—not just in Iraq, not just in the Balkans, but also in Haiti as well.

The Bush administration can no longer sit on the sidelines. It is my hope the Bush administration shows the same dedication and commitment to supporting the new interim government as it did to stand by and actively destroy President Aristide's duly elected democratic government.

What has happened in Haiti should be a blight on the American conscience—the poorest country in this hemisphere, the poorest of the poor, struggling decade after decade under brutal dictatorships, repressive military regimes, finally becoming free in 1990, only to have its President overthrown in a coup. What signal are we sending to the Haitians? I guess if you are poor and you don't have oil and you are not strategically important, we don't care what happens to you. We will let the thugs take over. We will let the few wealthy elite rearm the military to protect them and to keep them in power.

I saw a newspaper article late last week which pointed out that this Congress had appropriated \$18 billion for reconstruction in Iraq. It went on to say how \$4 billion of the money that was appropriated for Iraq was for clean water and sanitation—\$4 billion of our taxpayers' money going to one of the wealthiest countries in the world, Iraq. Iraq is not a poor country. This is a very rich country with oil reserves. It is either the first or second in the world in oil reserves. Yet we are taking \$4 billion in taxpayer money to build a

water and sanitation system. Why can't we build clean water and sanitation systems, roads, hospitals and schools in Haiti? To me, that is the moral imperative of what we should be doing in our hemisphere—not trying to destroy democratically elected governments.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER (Ms. MURKOWSKI). The Senator from Missouri.

OUTSOURCING U.S. JOBS

Mr. BOND. Madam President, yesterday we began our discussion on outsourcing—a subject well worth discussing because it is of great concern.

I am sorry I didn't have a chance to hear all of the discussions because I think we need to address all of the issues related to the needless outsourcing of U.S. jobs abroad. It is a problem in my State as it is in many others. I imagine I am not the only Member of this body who has been confronted with workers who have lost their jobs, and many more who feel that the loss of their job is likely. They raise these concerns about outsourcing and jobs going abroad.

Yesterday I heard a lot of strong rhetoric about how bad it was, but I didn't hear a discussion of the many complicated issues that go into outsourcing. I did not hear a thorough discussion of how effectively we can remedy the problem.

As a matter of fact, the chairman of the Finance Committee raised the question that perhaps one of the remedies being proposed might put us in violation of the World Trade Organization rules with the possible imposition of much broader penalties on other U.S. workers not directly affected.

I think it is time we begin a discussion of this complicated issue. I hope we have hearings on it. I hope we have discussions on it because I think the people of America need to understand what it is like as we live in a true world economy.

I want to look first at what I consider to be a real problem of outsourcing; that is, governmentally enforced outsourcing. You say, What? The Federal Government and State governments are threatening to drive jobs out of the United States? Do we realize that?

In this body last year, I led a debate in which there were strong opinions on both sides. I don't think I need to remind my colleagues of the debate over the regulation proposed by the California Air Resources Board that proposed to require all small engines—the engines we have in weed trimmers, in lawnmowers, leaf blowers and chainsaws—would have to have catalytic converters. This was a very contentious debate. I thank my colleagues who supported me and who helped us prevent the imposition of this rule nationally outside of California.

We talked about some of the dangers—the danger that 1,100-degree catalytic converters would start fires. Grass burns at 500 degrees. The danger of a small engine with a 1,100-degree catalytic converter is great. But there was a more direct danger. If that California regulation had gone nationwide, then the companies set up to manufacture small engines would not have been able to manufacture them in their existing facilities. They told us—and outside experts agreed—that they would have to rebuild these facilities. Where would they rebuild the facilities? They would rebuild the facilities in China because they could do it so much more cheaply and use less expensive labor in China to turn out the engines. Some of them are now produced in China, and they would have moved all of the small engine production to China.

I was in Poplar Bluff, MO, last Saturday night. I was thanked by the 1,100 employees of Briggs & Stratton in Poplar Bluff. I was thanked, and my colleagues in this body and in the House were thanked, because we took steps to stop the California Air Resources Board from sending a regulation nationwide that would have cost them their jobs. Not just 1,100 jobs at Poplar Bluff in Missouri, a total of 5,000 jobs in Missouri would have moved offshore. They would have been outsourced.

Nationally, more jobs in Wisconsin, almost as many jobs in Kentucky, jobs in Alabama, jobs all across the Midwest, a total of 22,000 American jobs would have been outsourced by that governmental regulation if this body, at my request, and the other body at the request of Congresswoman EMERSON, had not been able to say you are not going to impose those restrictions outside the State of California. I thank my colleagues on behalf of the workers in Missouri and around the Nation whose jobs were not outsourced.

But then we have another problem. Do you know what is driving jobs offshore now? A shortage of natural gas. Natural gas prices have run way up because of governmentally enforced provisions. The natural gas crisis we have in the United States is a governmentally enforced shortage, a governmentally enforced hike. Many low-income families find their natural gas bills going through the ceiling. All of us who heat with natural gas see our natural gas bills going up.

Worse, men and women who work in industries that use natural gas—chemical and related industries—are seeing their jobs move offshore because the producers of those goods have to go to other countries where they have abundant natural gas supplies, where the natural gas supply has not been constrained by governmental action and not been enhanced by governmental mandate. We have been sitting around here and we cannot get an energy bill through that would tap the absolutely essential natural gas resources in the Presiding Officer's State of Alaska—and, I might add, ANWR, too.

We have natural gas, but we cannot use it. Why? Because governmental regulations say we cannot drill here or there; we have not been able to build a pipeline.

Why have natural gas prices gone up? We have mandated electric utilities not to use abundant coal but to use natural gas. Natural gas should not be used to fire electric generating boilers. It has too many other uses.

There was an article last week in the Wall Street Journal by Russell Gold talking about how natural gas costs hurt United States firms:

The root of higher natural-gas prices is a federal policy that promotes use of the relatively cleaner-burning fuel without providing incentives or means for natural-gas companies to increase production. So while demand soared in recent years, especially from a raft of new gas-fired power plants, producers have struggled with supply. Most North American gas fields are years past their prime, and environmental restrictions prevent drilling on many of the most promising areas.

He has summed it up well. We have a crisis in natural gas prices and natural gas supply and in outsourcing of natural gas-using industries because of government policy. The farmers in my State have to use fertilizer. The "n" in the three-numbered fertilizer most farmers use or the anhydrous ammonia comes from natural gas, and they see tremendously high prices. I believe in a little bit of 13/13/13 and the prices jumped in that small sack I buy. When you are buying tons and tons of this, it cuts into farmers' profits and raises their costs.

Do you know what I think. We have all these impact statements, environmental impact statements, but maybe what we need is a jobs impact statement. Before we pass one of these good ideas or before some agency of government comes up with a new regulation, maybe they ought to have to do an impact on the jobs it would cost or create.

I would like to have some of my colleagues who have been so vocal and persuasive and vociferous in arguing against outsourcing to have a chance to vote on whether we ought to have a jobs impact statement. That seems to make a lot of sense to me. Maybe we can do something. I will be working on that. I may offer that for this body's consideration.

But I tell you something else that is causing outsourcing and that we have not done anything about. We cannot move forward on asbestos litigation reform. There are 3,000 or 4,000 people who are tragically sick because of asbestos, but the asbestos trial lawyers have filed class action suits with 700,000 plaintiffs.

That struck home for me because I live in northeast Missouri. My hometown of Mexico, MO, used to call itself the saddle horse and fire clay center of the world. Saddle horses are three- and five-gaited horses. Rex McDonald, trained by Tom Bass, is one of the leaders. Unfortunately, we are no longer

the fire clay or refractory center of the Nation. We had thousands and thousands of people employed in making high-temperature and abrasive-resistant bricks that line steel furnaces and petroleum-cracking furnaces that line the Navy boilers. That used to be the major industry.

But it turns out that some time ago there was some asbestos used in the mortar that held the refractory's products together. So all of those companies have 700,000 lawsuits filed against them. Most, if not all of them, have been forced into bankruptcy because of asbestos litigation. Their buyers have come in and picked up the customer lists and the recipes and moved the production to Canada to supply our basic industry needs. The most basic industry, basic for steel, for aluminum, for petroleum products, has been driven largely to Canada to get away from asbestos litigation.

We are not taking the steps we need to allow us to bring back into the United States the production of one of the most basic elements of heavy industry. That is one thing maybe we can work on. Maybe we can pass an asbestos bill—we should have done so a long time ago—to care for those who are really sick, but also to cut off frivolous claims that do nothing but line trial lawyers' pockets. Tort reform is another thing we need to address to keep businesses productive so they can hire workers.

I tell you one other thing. I have a particular interest because the Senator from Maryland and I chair the appropriations subcommittee that appropriates funds for the National Science Foundation. We are seeing a tremendous shortage of scientists and engineers. We are just not finding enough United States students who want to follow a science or engineering curriculum. With the increasing developments in science and technology and engineering, we have to be turning out more scientists. We need more money. I make a plea for more money for the National Science Foundation budget so we can increase the incentives the National Science Foundation is using, along with science centers and educational institutions through the country, to train more scientists and engineers and technicians.

Yes, we need to train more people in community colleges. That is very important because if we do not train them, other countries, such as India, with tremendous reservoirs of engineers are turning out top quality engineers. If we do not have the engineers to do the work that is needed, that work is going to go to India. We need to do something about it. And we ought to begin moving.

In a growing competitive and interdependent global economy, as any economist will explain, there are increasingly greater flows of trade, capital, and labor.

Outsourcing apparently has been occurring wherever freedom has existed

because private businesses will seek to increase efficiency and provide better products at a lower cost by focusing resources on what they do better than everyone else. This has occurred in the United States in the previous half century, as the United States employment grew from 45 million to 130 million jobs.

I was one who thought I would always buy an American car. I thought I had been doing so. But do you know something. More and more American cars have foreign-made parts and foreign-made components. At the same time, more foreign companies are coming into the United States. You have to do a lot of research to find out which car has more and which car has less U.S. components.

The auto industries are employing people at good wages in the United States at high-tech jobs, while lower-tech jobs are done overseas. But the American consuming public has demanded the best quality automobiles. So it is difficult, when you go out and try to buy American, to find out what is truly American. Those eggs have been scrambled, and it is difficult to unscramble them.

But as much a problem as outsourcing and foreign trade is, I want to give you some good news. There are some in this body who voted for the North American Free Trade Agreement and have now roundly condemned it. But on Monday of this week, the Governor of Missouri proudly announced—and I congratulate the State—that Missouri exports grew by 6.5 percent in 2003. From his release, it says Canada and Mexico were top importers of Missouri products. Canada imported \$3 billion of products; Mexico imported \$748 million of products. Not bad. Those are two countries I believe are in NAFTA.

But more interestingly, the Governor goes on to say:

More than 75,000 jobs in the state were directly tied to industries that export to other countries. . . . Also, the top 10 exporting industries paid higher average annual wages, at \$41,894, than the statewide average wage of \$33,600.

Madam President, I ask unanimous consent that release be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MISSOURI EXPORTS GROW 6.5 PERCENT IN 2003

Missouri's exports increased by 6.5 percent in 2003, reaching \$7.23 billion, the state's Department of Economic Development said.

Missouri's exports totaled \$6.79 billion in 2002. Transportation equipment was Missouri's top export in 2003 with nearly \$2.2 billion in sales. Other strong exports were chemicals, plastics and rubber, leather products and electrical equipment, appliances and components, and food and similar products.

Canada and Mexico were the top importers of Missouri products. Canada imported \$3.08 billion of products, and Mexico imported \$748 million of products. The other top importers of Missouri products were Japan, the United Kingdom, China, Germany, Italy, Hong Kong, Belgium and Australia.

Nationally, Missouri ranked No. 26 for export sales, but its international sales grew faster than the nation's, which grew an average of 4.4 percent.

More than 75,000 jobs in the state were directly tied to industries that export to other countries, the department said in a written release. Also, the top 10 exporting industries paid higher average annual wages, at \$41,894, than the statewide average wage of \$33,600.

Kelvin Simmons, director of the department, said Missouri's exports seem to be returning to the level they were at before the recession.

"Increased sales of Missouri products abroad is another important indicator that Missouri's economy has turned the corner on the national recession," Simmons said in the release.

Mr. BOND. Madam President, as businesses and our economy restructure—a natural occurrence of the business cycle—workers in our country have done better overall. "Overall," however, does not mean everyone has done better. Many have not, and those are the people for whom the overall benefits of restructuring or even the so-called temporary nature of the unemployment is of little comfort because they want to work and provide for their families but they do not have a job.

Yesterday afternoon, the Senator from New Jersey was very loudly and strongly decrying the outsourcing of jobs, and he made, I believe—I did not hear all of his statement—a very compelling case. At the same time, the firm he was associated with announced last fall it intended to establish an Indian unit with 250 employees working on operations in technology. Now, how does that square with not outsourcing? That is something perhaps we should discuss in a hearing or further debates.

But I just came across an interesting article from Tom Friedman, certainly not with a Republican base, but I think a very good New York Times international analyst. He was talking about interviews he had with an Indian who was a founder of 24/7's customer call center. He said:

How can it be good for America to have all these Indians doing our white-collar jobs?

The reply was:

All the computers are from Compaq. The basic software is from Microsoft. The phones are from Lucent. The air-conditioning is by Carrier, and even the bottled water is by Coke, because when it comes to drinking water in India, people want a trusted brand. On top of all this . . . 90 percent of the shares . . . are owned by U.S. investors [including U.S. pension funds]. This explains why, although the U.S. has lost some service jobs to India, total exports from U.S. companies to India have grown from \$2.5 billion in 1990 to \$4.1 billion in 2002. What goes around comes around, and also benefits Americans.

Mr. Friedman concludes his article quoting the Indian gentleman saying:

It's unfair that you want all your products marketed globally, but you don't want any jobs to go.

And Mr. Friedman replies:

He's right. Which is why we must design the right public policies to keep America competitive in an increasingly networked world, where every company—Indian or

American—will seek to assemble the best skills from around the globe. And we must cushion those Americans hurt by the outsourcing of their jobs. But let's not be stupid and just start throwing up protectionist walls, in reaction to what seems to be happening on the surface. Because beneath the surface, what's going around is also coming around. Even an Indian cartoon company isn't just taking American jobs, it's also making them.

Those are Mr. Friedman's comments.

Madam President, I ask unanimous consent that op-ed be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 26, 2004]

WHAT GOES AROUND . . .
(By Thomas L. Friedman)

BANGALORE, India—I've been in India for only a few days and I am already thinking about reincarnation. In my next life, I want to be a demagogue.

Yes, I want to be able to huff and puff about complex issues—like outsourcing of jobs to India—without any reference to reality. Unfortunately, in this life, I'm stuck in the body of a reporter/columnist. So when I came to the 24/7 Customer call center in Bangalore to observe hundreds of Indian young people doing service jobs via long distance—answering the phones for U.S. firms, providing technical support for U.S. computer giants or selling credit cards for global banks—I was prepared to denounce the whole thing. "How can it be good for America to have all these Indians doing our white-collar jobs?" I asked 24/7's founder, S. Nagarajan.

Well, he answered patiently, "look around this office." All the computers are from Compaq. The basic software is from Microsoft. The phones are from Lucent. The air-conditioning is by Carrier, and even the bottled water is by Coke, because when it comes to drinking water in India, people want a trusted brand. On top of all this, says Mr. Nagarajan, 90 percent of the shares in 24/7 are owned by U.S. investors. This explains why, although the U.S. has lost some service jobs to India, total exports from U.S. companies to India have grown from \$2.5 billion in 1990 to \$4.1 billion in 2002. What goes around comes around, and also benefits Americans.

Consider one of the newest products to be outsourced to India: animation. Yes, a lot of your Saturday morning cartoons are drawn by Indian animators like Jadoo Works, founded three years ago here in Bangalore. India, though, did not take these basic animation jobs from Americans. For 20 years they had been outsourced by U.S. movie companies, first to Japan and then to the Philippines, Korea, Hong Kong and Taiwan. The sophisticated, and more lucrative, preproduction, finishing and marketing of the animated films, though, always remained in America. Indian animation companies took the business away from the other Asians by proving to be more adept at both the hand-drawing of characters and the digital painting of each frame by computer—at a lower price.

Indian artists had two advantages, explained Ashish Kulkarni, C.O.O. of Jadoo Works. "They spoke English, so they could take instruction from the American directors easily, and they were comfortable doing coloring digitally." India has an abundance of traditional artists, who were able to make the transition easily to computerized digital painting. Most of these artists are the children of Hindu temple sculptors and painters.

Explained Mr. Kulkarni: "We train them to transform their traditional skills to animation in a digital format." But to keep up

their traditional Indian painting skills, Jadoo Works has a room set aside—because the two skills reinforce each other. In short, thanks to globalization, a whole new generation of Indian traditional artists can keep up their craft rather than drive taxis to earn a living.

But here's where the story really gets interesting. Jadoo Works has decided to produce its own animated epic about the childhood of Krishna. To write the script, though, it wanted the best storyteller it could find and outsourced the project to an Emmy Award-winning U.S. animation writer, Jeffrey Scott—for an Indian epic!

"We are also doing all the voices with American actors in Los Angeles," says Mr. Kulkarni. And the music is being written in London. Jadoo Works also creates computer games for the global market but outsources all the design concepts to U.S. and British game designers. All the computers and animation software at Jadoo Works have also been imported from America (H.P. and I.B.M.) or Canada, and half the staff walk around in American-branded clothing.

"It's unfair that you want all your products marketed globally," argues Mr. Kulkarni, "but you don't want any jobs to go."

He's right. Which is why we must design the right public policies to keep America competitive in an increasingly networked world, where every company—Indian or American—will seek to assemble the best skills from around the globe. And we must cushion those Americans hurt by the outsourcing of their jobs. But let's not be stupid and just start throwing up protectionist walls, in reaction to what seems to be happening on the surface. Because beneath the surface, what's going around is also coming around. Even an Indian cartoon company isn't just taking American jobs, it's also making them.

Mr. BOND. Madam President, there are many ways to address the needless outsourcing of jobs. One of the things we could do is to have the Government impose even more restrictions on the private sector. However, in many cases that is not the solution; it is the problem. According to the Congressional Research Service, there is a relationship between high employment restrictions and high unemployment. CRS says:

... the four largest countries with the most protection (Germany, France, Italy, and Spain) had the highest unemployment rates of any country.

CRS cites the "unintended effect of making firms reluctant to take on new workers" is the result of the protectionist policies.

Interesting comments on this came from former Labor Secretary Robert Reich, who was President Clinton's Secretary of Labor. On November 2, 2003, in the Washington Post, he said, in a headline: "High-Tech Jobs Are Going Abroad! But That's Okay." What is he talking about? How did he say that? Man, that sounds bad. That sounds as bad as some of the statements we have heard out of economists in this administration. I will submit the whole thing for the RECORD, but at the end of it he said:

So why don't I believe the outsourcing of high-tech work is something to lose sleep over?

He says:

First, the number of high-tech jobs outsourced abroad still accounts for a tiny proportion of America's 10-million-strong IT workforce. . . .

Second, even as the number of outsourced jobs increases, the overall percent of high-tech jobs going abroad is likely to remain relatively small.

Next:

Outsourcing also poses quality-control problems.

Next:

As smart U.S. companies outsource their more standard high-tech work, they're simultaneously shifting their in-house IT employees to more innovative, higher value-added functions, such as invention, creation, integration, key R&D and basic architecture. . . .

There's no necessary limit to the number of high-tech jobs around the world. . . .

In conclusion, this former Secretary of Labor says:

... it makes no sense for us to try to protect or preserve high-tech jobs in America or block efforts by American companies to outsource. Our economic future is wedded to technological change, and most of the jobs of the future are still ours to invent.

Madam President, I ask unanimous consent that the article by Robert Reich be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Nov. 2, 2003]

HIGH-TECH JOBS ARE GOING ABROAD! BUT THAT'S OKAY

(By Robert B. Reich)

There's good news and not-so-good news in the American workplace. The good news is that the economy is growing and businesses are spending once again, on high technology. The Commerce Department reported last Thursday a sharp pickup in spending on equipment and software in the third quarter. Not so good is the news that high-tech jobs have not come back, at least not so far.

Jobs in America's sprawling information-technology (or IT, as is known in the info world) sector—including everything from software research, design and development to computer engineering—are down 20 percent from late 2000. Salaries are down, too. In 2000, senior software engineers earned \$130,000. The same job now pays no more than \$100,000. Meanwhile, a lot of high-tech jobs are moving offshore. Is that a cause for concern?

When I was labor secretary, I fought to preserve U.S. jobs. So you might assume that I would see the number of high-tech jobs moving offshore as a troubling trend. And yet, I do not. I'll explain why in a moment.

But lots of people are worried about it. Indeed, those anxieties seem to be increasing:

On Sept. 30, Congress let the cap on H-1B visas issued to foreign high-tech workers to shrink from 195,000 to its old level of 65,000. The ostensible reason: to make sure more high-tech jobs go to Americans.

Bills are pending in several state legislatures barring state government projects from using offshore high-tech workers.

High-tech workers are organizing against foreign outsourcing. One group of them—the Organization for the Rights of American Workers—has demonstrated outside conferences on "strategic outsourcing" in New York and Boston.

The fear is understandable.

More than half of all Fortune 500 companies say they're outsourcing software devel-

opment or expanding their own development centers outside the United States. Sixty-eight percent of more than 100 IT executives who responded to a survey last spring by CIO magazine said their offshore contracts will increase this year. By the end of 2004, 10 percent of all information-technology jobs at American IT companies and 5 percent in non-IT companies will move offshore, according to Gartner Co., a research and analysis firm that specializes in high-technology trends. And by 2015, according to a study by Forrester Research in Cambridge, an estimated 3.3 million more American white-collar jobs will shift to low-cost countries, mostly to India.

The trend isn't surprising. American companies are under intense pressure to reduce costs, and foreigners can do a lot of high-tech jobs more cheaply than they can be done here. Already India has more than half a million IT professionals. It's adding 2 million college graduates a year, many of whom are attracted to the burgeoning IT sector. The starting salary of a software engineer in India is around \$5,000. Experienced engineers get between \$10,000 to \$15,000. Top IT professionals there might earn up to \$20,000.

Meanwhile, it's become far easier to coordinate such work from headquarters back in America. Overseas cable costs have fallen as much as 80 percent since 1999. With digitization and high-speed data networks, an Indian office park can seem right next door. Matthew Slaughter, associate professor of business administration at Dartmouth College, says information-technology work "will move faster [than manufacturing] because it's easier to ship work across phone lines and put consultants on airplanes than it is to ship bulky raw materials across borders and build factories and deal with tariffs and transportation."

With such ease of communicating, the squeeze on H-1B visas will do little to keep IT jobs out of the hands of non-Americans. "It doesn't make a difference for firms whose business model has people largely working offshore," Moksha Technologies Chairman Pawan Kumar told the Press Trust of India. "It . . . will make firms drive business where the technology workers are." Guatam Sinha, head of the Indian human-resource firm TVA Infotech, agrees. "In fact, lots of techies are coming back to India." India exported \$9.6 billion worth of software last year. Such exports are expected to grow 26 percent this fiscal year.

So why don't I believe the outsourcing of high-tech work is something to lose sleep over?

First, the number of high-tech jobs outsourced abroad still accounts for a tiny proportion of America's 10-million-strong IT workforce. When the U.S. economy fully bounces back from recession (as it almost surely will within the next 18 months), a large portion of high-tech jobs that were lost after 2000 will come back in some form.

Second, even as the number of outsourced jobs increases, the overall percent of high-tech jobs going abroad is likely to remain relatively small. That's because outsourcing increases the possibilities of loss or theft of intellectual property, as well as sabotage, cyberterrorism, abuse by hackers, and organized crime. Granted, not much of this has happened yet. But as more IT is shipped abroad, the risks escalate. Smart companies will continue to keep their core IT functions in-house, and at home.

Outsourcing also poses quality-control problems. The more complex the job order and specs, the more difficult it is to get it exactly right over large distances with subcontractors from a different culture. In a Gartner survey of 900 big U.S. companies that outsource IT work offshore, a majority

complained of difficulty in communicating and meeting deadlines. So it's unlikely that very complex engineering and design can be done more efficiently abroad.

As smart U.S. companies outsource their more standard high-tech work, they're simultaneously shifting their in-house IT employees to more innovative, higher value-added functions, such as invention, creation, integration, key R&D and basic architecture. These core creative activities are at the heart of these companies' competitive futures. They know they have to nourish them.

The third and most basic reason why high-tech work won't shift abroad is that high technology isn't a sector like manufacturing or an industry like telecommunications. High-tech work entails the process of innovating. It's about discovering and solving problems. There's no necessary limit to the number of high-tech jobs around the world because there's no finite limit to the ingenuity of the human mind. And there's no limit to human needs that can be satisfied.

Hence, even as the supply of workers around the world capable of high-tech innovation increases, the demand for innovative people is increasing at an even faster pace. Recessions temporarily slow such demand, of course, but the long-term trend is toward greater rewards to people who are at or near the frontiers of information technology—as well as biotechnology, nanotechnology and new-materials technologies. Bigger pay packages are also in store for the professionals (lawyers, bankers, venture capitalists, advertisers, marketers and managers) who cluster around high-tech workers and who support innovative enterprises.

In the future, some of America's high-tech workers will be found in laboratories but many more will act like management consultants, strategists and troubleshooters. They'll have intimate understandings of particular businesses so they can devise new solutions that meet those businesses' needs. They'll help decide which high-tech work can most efficiently be outsourced, and they'll coordinate work that goes offshore with work done in-house.

Don't get me wrong. None of this is an argument for complacency. It's crucial that America continues to be the world's leader in innovation. Our universities are the best in the world, but they can't remain that way when so many are starved for cash. Federal and state support for higher education must keep up with rising demand for people who are creative and adaptive.

Federal government investments in basic research and development are also vital. We need to guard against what is already a drift away from basic research toward applied research and development—that is, from the creation of new knowledge that can be put to many different uses versus R&D that's related to the commercialization of specific products, especially military-related aerospace, telecommunications and weapons.

And just as with laid-off manufacturing workers, we need to ensure that high-tech workers are adaptive and flexible. They should be able to move quickly and get the retraining they need. Pensions and health insurance should be more portable across jobs. High-tech workers who want to polish their skills or gain new ones should have access to tax credits that make it easy for them to go back to college for a time.

But it makes no sense for us to try to protect or preserve high-tech jobs in America or block efforts by American companies to outsource. Our economic future is wedded to technological changes, and most of the jobs of the future are still ours to invent.

Mr. BOND. Madam President, as we have this debate, it is impossible to observe one nearly ignored reality. Despite whether we often or always disapprove of corporate decisionmakers,

it is impossible to be for employees while being against employers. We cannot be unrestrained in our desire to impose additional costs on employers and expect there not to be harmful consequences to employees.

One would not know it by listening to some of the Presidential wannabes, but when you put more burdens on employers, they respond. They respond to punitive taxation, regulation, and litigation. They will outsource. They will move away. They will respond positively to incentives. We hope the incentives of the underlying subject of the bill before us today to provide tax relief for exports will help us get more jobs in this country.

In my State, governmental regulations, State and Federal, are being used by some to try to prevent a foreign firm from investing \$400 million in a plant that will employ 200 high-paid workers in a poor area.

They are trying to stop insourcing. We are in year 3 of environmental assessments to see if the plant can meet all the EPA, Corps of Engineers, and State standards. If we keep piling on burdens, this firm can conduct operations in Thailand. I am afraid that option may be becoming more attractive every day.

As I said, the trial lawyers have litigated the refractory business out of Missouri. According to the National Association of Manufacturers, we have the most expensive legal system in the world, yet filibuster after filibuster keeps us from reforming the system. Tort taxes, for which America is famous, are estimated to have been over \$230 billion in 2002, 13 percent higher even than the costs in 2001. Who pays for these skyrocketing costs? The tort lawyers pocket their 40 percent, but employers, employees, and consumers contend with those costs.

We are not upgrading the locks and dams on the Mississippi River that are the vital lifeline to make sure we can use the farm productivity of the Midwest to ship grain to export markets around the world, export markets that are bringing up prices and restoring economic well-being to the agricultural sector. We need to invest in our infrastructure.

Let me add highways. Highways are very important to growing jobs. I wouldn't want to leave the Chamber without saying that. There is much work to be done.

Some apparently think that highways are too expensive: ignoring the greater expense of decay and inefficiency. A good highway bill has passed the Senate, but is bogged down and may not emerge from the House.

We spend \$60 million over 12 years studying whether our 70-year-old dilapidated locks on the Mississippi River should be modernized—a study that has resulted in nothing but red tape, congestion, and delay, without resolution. While failing to respond to the obsolescence of our Nation's most important inland waterway and artery to the world's markets, we are at risk of outsourcing corn and bean production to other countries.

This quagmire has been excellent news for South American farmers who are winning market share as fast as we are losing it.

On the Missouri River, another key waterway, the U.S. Department of Interior proposed in 2000 to end water transportation and increase flood risk for downstream businesses and landowners so they could experiment with pallid sturgeon habitat. Our farmers and other shippers who are struggling to compete look to government for more efficient transportation options. Instead, government uses its regulatory power to consign farmers and other employers to the mercy of a higher-cost transportation monopoly. More good news for foreign farmers courtesy of the U.S. Federal Government.

Farmers and businesses in my State routinely raise issues related to high energy costs. We need to be encouraging domestic production of energy. Instead we discourage it. Rather than safely developing renewable resources at home and oil in Alaska, we import oil from the Middle East. We had an energy bill that promoted all forms of domestic energy production but could not overcome a filibuster. So we are outsourcing midwestern farm jobs and Alaskan energy jobs to Saudi Arabia by Congressional obstruction. The Wall Street Journal featured an article recently noting how some firms were "off-shoring" in response to dramatic increases in natural gas necessary to fuel their operations.

Then there is the tax burden on U.S. businesses. According to some estimates, the U.S. has the second highest corporate tax burden in the world—second only to Japan. Most small businesses are taxed as individuals and are subject to the top marginal rates. Consequently, according to election-year Democrat rhetoric, these small businesses and corporations are "the rich" and next week we will see numerous attempts to raise their taxes.

Again, Congress can't stick it to the employers and claim to be deeply concerned about employees. We don't always like what corporations do—and I'm troubled by what seems like a herd mentality when it comes to outsourcing of many jobs—but businesses exist because Americans voluntarily purchase their products, Americans own them, Americans run them, Americans work for them.

No one advocates a business environment free of regulation, but we cannot continue to be oblivious to the costs that we, little-by-little, heap upon our employers.

If we want them to hire people and do so in the U.S.—and I certainly do—why don't we prove it. Why don't we resist raising their taxes next week? Why don't we end the filibuster on legal reform or "tort tax" reform? Why don't we end the filibuster on an energy bill? Why don't we modernize our infrastructure? Why don't we recognize that by working with businesses, we can reduce pollution rather than reduce American jobs.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, it is my understanding there are two additional requests for time. Do we have time left on the Democratic side?

The PRESIDING OFFICER. There is no time remaining on the Democratic side.

Mr. REID. I ask unanimous consent that there be an additional 10 minutes equally divided and that our 5 minutes go to the Senator from Delaware, Mr. CARPER, following the statement of the Senator from Minnesota.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COLEMAN. Madam President, I yield to my friend, the Senator from Delaware.

Mr. CARPER. I thank the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Delaware.

AMERICAN LEGACY FOUNDATION

Mr. CARPER. Today is March 4. Five years ago today something called the American Legacy Foundation was created. Over the past 5 years, Legacy Foundation has helped us to make great strides in the improvement of health for all kinds of Americans, not only today but in the years to come. They have helped us to begin building a world where young people reject tobacco and where just about anyone can quit smoking. But as we celebrate the work of the foundation today, a lot more work needs to be done.

The foundation was established in March of 1999 as a result of something called the Master Settlement Agreement between a coalition of attorneys general in 46 States and 5 U.S. territories and the tobacco industry. The foundation remains primarily today funded by payments designated by the settlement.

The foundation develops national programs that address the health effects of tobacco use. They do it through grants, technical training and assistance, and youth activism, strategic partnerships, countermarketing and grassroots marketing campaigns, public relations, and community outreach to populations disproportionately affected by the toll of tobacco.

The foundation has two goals that guide its work toward creating tobacco-free generations. One of those is to arm all young people with the knowledge and tools to reject tobacco. The other is to eliminate the disparities in access to tobacco prevention and cessation services.

The truth campaign is one effort to curb tobacco use among teens. Truth is the foundation's comprehensive countermarketing campaign to prevent and reduce youth smoking. The truth campaign was credited by the National Institute on Drug Abuse as one of the major programs which contributed to the steady reduction in teen cigarette smoking.

In addition to celebrating this achievement today, I also want to share with my colleagues the very real threats faced by the American Legacy Foundation. This year the foundation received its last payment from the Master Settlement Agreement. Because of this drastic reduction in resources, all of the successes that have been achieved to date are suddenly jeopardized. I don't believe we can afford to lose any of the ground we have gained on tobacco control.

I ask my colleagues to consider these facts: Tobacco is the leading cause of preventable death in this country. Tobacco kills some 440,000 people per year—more than alcohol, AIDS, car accidents, illegal drugs, murders, and suicides combined. Twenty-four percent of high school students in my State still smoke. That is down from where it was a couple years ago, but still almost one out of four. Every day some 2,000 teenagers begin smoking. Their average age is actually about 13. Of those who become hooked on smoking, one of three will end up dying from their use of tobacco.

Each year in my State of Delaware, some 1,100 adults die from cigarette smoking. I am told over 900 kids in my State have lost at least one parent through smoking-caused death. I would also say smoking is having a financial impact. Annual health care expenditures in my State caused by tobacco use total \$221 million and over \$62 million in State Medicaid payments are related to tobacco use.

I had the privilege of being the founding cochairman of the American Legacy Foundation. Our founding chairman was Chris Gregoire, the Attorney General of Washington State. I was succeeded and joined on the foundation board by former Governor Mike Leavitt of Utah, now head of EPA, and by Parris Glendinning, former Governor of Maryland. I am proud of the association I had with the foundation at its beginning and the great work we did, especially with young people who themselves helped to design, to craft, and to deliver the truth campaign. In no small part because of their efforts, especially the young people, the incidence of smoking has dropped significantly over the last half dozen years, and it is important that that work and that trend continue.

I thank the Chair for the time and I thank my colleague from Nevada and my colleague from Minnesota for allowing me to speak.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. COLEMAN. Madam President, are we still in morning business?

The PRESIDING OFFICER. That is correct.

THE ECONOMY

Mr. COLEMAN. I would like to spend the little time remaining to talk about the economy. I was mayor of St. Paul,

MN, for 8 years, and I learned as mayor that the best welfare program is a job; the best housing program is a job. Access to health care quite often came through a job. I also learned nobody jumps on a sinking ship; that hope and confidence yield investment.

As we look at the data, look at what is happening in the economy, it is very clear the economy is moving forward. This Nation has come a long way from the terrible day of September 11 and the impact that had both on the infrastructure in New York and in Washington, but also on the psyche of the American public, the confidence.

Look at the scandals on Wall Street, the WorldComs and the Enrons. Undermining the trust and confidence in the American system, the way we do business, that has an impact. The reality is we have come so far. In the third quarter of last year we had the greatest GDP growth in nearly 2 decades. The fourth quarter exceeded expectations contributing to 6.1 percent annual growth rate in the last half of the year, the strongest 6 months gain since 1984. It is expected the 2004 economic growth will be between 4.6 and 4.8 percent.

We sound like statisticians here. I am not sure the average man or woman worried about their economic future and feeding their family understands the impact of that, but that is the fastest annual growth in this country since 1984.

When you try to turn around an economy that has suffered so much, when we try to do the things with the President's leadership—to cut taxes, put more money in the pockets of moms and dads, to allow business to increase expensing that, to generate bonus depreciation—it then results in more economic investment, which results in more jobs, more jobs.

Those are the things we have done, and the result is that the economy is moving forward. The statistics show that.

I understand that capital expenditures are on the rise. The Department of Commerce reported earlier this week that capital goods orders are rising and are 3.6 percent higher in January than in the final quarter of 2003. We have nearly 660,000 less unemployment claims than we had at our peak figure last summer and, I think, over 336,000 new jobs according to the payroll survey, the most narrow reading—and the household survey shows much more of an increase. If you do something out of your home, if you are individually employed, it doesn't count that. I learned from my 17-year-old that people do business out of eBay, and they are not listed in the payroll survey. But the household survey is significant.

Millions of jobs have been created in this country. So we are moving forward. In my State, the last report of the State budget showed very good news. The terrible deficits and gaps we were facing, the fiscal crisis, may be over. The National Conference of State Legislatures recently said that. So we

have a lot of good news. Over the last 6 months, in the course of a Presidential campaign, all you heard is the negative, telling people again and again how bad it is. Ultimately, common sense tells you if you tell somebody something often enough and put enough money behind it, they may actually believe it. The problem is, if they believe it, it impacts their confidence and we all suffer. That is a bad thing. Instead of criticizing, we need to work together to get things done to move this economy forward at a faster pace.

The Senator from Missouri recently talked about a highway bill, a jobs bill, a transportation bill that would create 1.7 million jobs while improving the Nation's infrastructure. We need to invest in improving locks and dams so farmers can get products to market and continue to grow a farm economy that is doing a lot better. We need to pass an energy bill to create between 500,000 and 700,000 new jobs—a bill that has been subject to a filibuster. That has to end and we need to stop criticizing and pledge to work together to get something done.

We need legal reform. We came within a vote of class action reform. Talk to the folks who create jobs in this country, to the manufacturers. They will tell you the biggest impediments they have are the cost of class actions, the cost of litigation, the cost of regulation and taxation—those things that we impose and that we can fix if we simply came together with a positive vision and commitment to work in a bipartisan way to get something done.

If you really care about moms and dads and their ability to put food on the table and to work, then figure out a way to pass an energy bill, a highway bill, class action reform, and deal with asbestos reform, which is a critical issue—pay for those who are hurt, but make sure the lack of reform doesn't drive companies under and hurt jobs, hurt the ability for mom and dad to take care of their family. I found out when I was a mayor that the best thing I could do for kids was to do those things to make sure mom and dad had a job. What we are working on today is another jobs bill. It is going to take working in a bipartisan way, putting aside some of the negative, why we cannot do it, how terrible things are. Let's focus on those things we can do to improve—and they are very clear—the opportunity for mom and dad to get a job. The way to change an economy this size is not like a race car ripping around the corner. It is more like one of those big boats that travel on Lake Superior. You just get it moving in the right direction.

I suggest that we are moving in the right direction. There is more work to be done. Let's get about the business of doing that.

With that, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ENSIGN). Without objection, it is so ordered.

MISCELLANEOUS TRADE AND TECHNICAL CORRECTIONS ACT OF 2003

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 43, S. 671.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 671) to amend the Harmonized Tariff Schedule of the United States to modify temporarily certain rates of duty, to make other technical amendments to the trade laws, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. GRASSLEY. Mr. President, I would like to comment on a bill that has traveled a long and difficult journey to get to the floor today; S. 671, the Miscellaneous Trade and Technical Corrections Act of 2003, commonly called the miscellaneous tariff bill.

In fact, this bill's journey began nearly 2 years ago. The Senate historically passes a miscellaneous tariff bill at the end of every Congress. The bill under consideration today was supposed to have been passed at the end of the 107th Congress. However, a markup scheduled for September 26, 2002 was cancelled, leaving the bill as unfinished business for the current Congress. Upon resuming the chairmanship of the Finance Committee, my intention was to complete unfinished business from the 107th Congress as quickly as possible. To that end we passed the bill out of the Senate Finance Committee by voice vote on February 27, 2003. It was hoped that early passage of this bill would pave the way for consideration of another miscellaneous tariff bill in the 108th Congress. But that was not meant to be.

Traditionally, miscellaneous tariffs bills are non-controversial and pass the Senate by unanimous consent. Sometimes there are attempts to load the bill down with costly and controversial items, which is why we didn't produce a bill in the 107th Congress. That's also the reason this bill was delayed this Congress. Contrary to traditional practice, a few Senators insisted on adding unrelated and controversial provisions. Unless we agreed to add these controversial provisions, these Senators would not allow the full Senate to consider the bill. In effect, a few Senators have held this legislation hostage for months for their own parochial purposes. And that is truly sad and disappointing. I hope these members know that they have all but guaranteed the end to this process.

This package contains many trade provisions, primarily duty suspensions, reductions and extensions, for products that are not produced domestically. This bill supports American factories and workers by allowing manufacturers to save money when they import these products. At this stage in America's economic recovery, we must give every opportunity to our manufacturers to reduce costs and pass the savings on to consumers.

A product generally must meet three tests to be eligible for inclusion in a miscellaneous trade bill: first, it must be non-controversial and non-competitive, that is there can be no domestic producer who objects to inclusion of the provisions. Second, the product should be intended to benefit U.S. downstream producers, that is someone who utilizes the product in manufacturing. Third, the volume of imports and corresponding revenue loss should be relatively small. To ensure that the provisions in this bill met that this test, each provision went through an extensive vetting process including a public notice and comment period to ensure that they were eligible for inclusion in the bill. This process began during the first session of the 107th Congress.

The bill also contains a number of liquidations or reliquidations for certain entries. The general rule for inclusion here is that the product entered the country under an incorrect duty rate due to Customs or other administrative error. These provisions allow those entries to enter the country at the correct duty rate.

We also included in this bill a provision that extends preferences under the Generalized System of Preferences (GSP) to allow duty-free treatment for hand-knotted and hand-woven carpets. This provision is designed primarily to help the citizens of Afghanistan and Pakistan. I believe that allowing these products to be considered as eligible articles under GSP, will help beneficiary countries that have joined the United States in the fight against global terrorism. With respect to Afghanistan, which is rebuilding and looking for opportunities for its people, this provision is needed now more than ever.

Another important provision in this bill corrects a mistake in the Trade Act of 2002, P.L. 107-210, that inadvertently and temporarily raised duties on Andean originating handbags, luggage, flat goods, work gloves and leather wearing apparel under the Andean Trade and Preferences and Drug Eradication Act, ATPDEA. This provision retroactively reinstates the reduced duty treatment for eligible products that entered the United States from August 6, 2002, the date ATPDEA was signed, and the time in which these products met the import sensitivity test, several months later. It provides for continued duty-free treatment for these eligible products, which was the intent of the Trade Act.

I am also pleased that the bill includes the Emergency Protection for Iraqi Cultural Antiquities Act of 2003. I introduced the EPIC Antiquities Act of 2003 to authorize the President to impose immediate emergency import restrictions on the archaeological and ethnological materials of Iraq. The purpose of this bill is simple—to close a legal loophole which could allow looted Iraqi antiquities to be brought into the United States.

If Congress does not act to provide the means for establishing an interim ban on trade, the door may be opened to imports of looted Iraqi antiquities into the United States. Already the press has reported allegations that European auction houses have traded in looted Iraqi antiquities. The last thing that we in Congress want to do is to fail to act to prevent trade in looted artifacts here in the United States.

Also included in the package is a provision that simplifies the U.S. Customs Service's ability to process commercial importations, thereby resulting in increased efficiency and productivity for both Customs and the trade community.

I want to point out that the provisions I have covered are not the only important provisions contained in this bill. This bill makes a number of other technical yet meaningful changes to our trade laws.

While I am very disappointed some members have delayed the passage of this bill, and even tried to kill this bill with controversial provisions, I would like to thank my colleagues who respected the traditional rules governing this important legislation. I appreciate their support.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Grassley-Baucus amendment at the desk be agreed to and that the bill, as amended, be read the third time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2678) was agreed to.

(The amendment is printed in today's RECORD under "Text of Amendments.")

The bill (S. 671), as amended, was read the third time.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 51, H.R. 1047, the House companion bill.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1047) to amend the Harmonized Tariff Schedule of the United States to modify temporarily certain rates of duty, to make other technical amendments to the trade laws, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that all after the enacting clause be stricken and that the text of S. 671, as amended, be inserted. I further ask unanimous con-

sent that H.R. 1047, as amended, be read the third time and passed; that the motion to reconsider be laid upon the table en bloc; and that S. 671 be returned to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H. R. 1047), as amended, was read the third time and passed, as follows:

(The bill will be printed in a future edition of the RECORD.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

JUMPSTART OUR BUSINESS STRENGTH (JOBS) ACT

The PRESIDING OFFICER. Under the previous order, the hour of 10:30 a.m. having arrived, the Senate will resume consideration of S. 1637, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1637) to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

Pending:

Dodd amendment No. 2660, to protect United States workers from competition of foreign workforces for performance of Federal and State contracts.

Mr. GRASSLEY. I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

AMENDMENT NO. 2660

Mr. KENNEDY. Mr. President, first, I thank the Finance Committee and the leadership for getting this measure before us. This is important legislation. What is extremely important is the Dodd amendment.

As we approach early March, we have to ask ourselves in this body what we are doing about the general challenges we are facing all across this country, with very few exceptions. I will come back later to the state of our economy.

This legislation provides some resolution to some of the challenges we are facing. I think the Dodd amendment is enormously important and one that I strongly support and hope the Senate will take action on. I know there is consideration that we go off this bill and on to the budget, but it does seem to me, in terms of the timetable because of the strict limitations of time on the budget, we ought to continue the debate on the issues of jobs and the economy which is of central importance and consequence to people all over this Nation.

This debate should go on. I certainly join with those who believe the institution is ill served if we refuse to give the Dodd amendment the opportunity for a clear vote in the Senate. What the

American people are looking for is action. They want accountability. They want responsibility. This amendment is a thoughtful amendment. It will be one that will make a difference in terms of the state of our economy in a very key area of economic policy, and that is the utilization of taxpayers' resources to effectively subsidize jobs going overseas.

We ought to be able to make a judgment about that in the Senate. So I applaud the Senator from Connecticut for this amendment.

I will take a moment or two to try to put it into some kind of perspective because, as he and others have pointed out, we are facing a serious economic challenge across this Nation. It is virtually uniform. In 48 out of the 50 States, new jobs pay 21 percent less than the old jobs they replace, with the exceptions of Nevada and Nebraska.

In the State I have had a chance to visit over the period of the last week, the State of New York, the new jobs are paying 38 percent less than the jobs they replaced. That is happening across this Nation, and I will get into the greater detail of it.

That is a national challenge and a national problem, and yet our Republican leadership refuses to permit us to deal with some of these issues. We can deal with a number of the issues. We can deal with the issue of the increase in the minimum wage where a majority of the Members of this body favor an increase. It would take about half an hour to debate that issue. We all know what that is about.

We could extend the unemployment compensation. Fifty-eight Members of the Senate want to extend unemployment compensation but our Republican leadership says no and this President says no. We could also defeat the Bush proposal to deny overtime from some 8 million of our workers in this country. This is the first time since the Fair Labor Standards Act has been enacted in this country, which recognizes a 40-hour workweek, that we have an administration proposing the elimination of overtime, and we will come back to that. This all starts down in the White House, make no mistake about it.

We have to have a President who wakes up every morning and says, we have a challenge and we can do something about it. Presidential leadership makes an important difference in terms of the state of our economy. We saw it in the early 1960s where we had the longest period of economic growth and price stability up until the time of the dramatic expansion of the Vietnam War, all during which we had Democratic leadership. We saw it with President Clinton, when Republicans refused to give us a single vote for an economic policy that produced 22 million jobs.

I remember my good friend on the other side, Phil Gramm, who said: This proposal makes no sense. Interest rates will go as high as the ceiling of the Senate and we will have the unemployed who will circle the Capitol.

I remember those words. How wrong he was, and how wrong this administration is and this President is about the state of our economy.

We have to have a President who wakes up in the morning and understands that the economy needs focus and attention. This President does not, and I will demonstrate why he does not.

I have the State of the Union speech: The pace of economic growth was the fastest in nearly 20 years. This is the state of the Union. This is the President's view of where we are nationwide, when 48 States out of 50 find new jobs are paying 21 percent less than the old jobs.

This is what he says: The pace of economic growth in the third quarter was the fastest in 20 years. Productivity is high and jobs are on the rise. This is the state of the Union.

Just a few days later he is speaking about the state of the Union when the President meets with the workers on his travels to Springfield, MO: We have overcome a lot. That is because we are growing. The growth is good. New jobs are being created. Interest rates are low. A lot of it had to do with the fact we cut your taxes. The economy is growing, growing, growing.

The President of the United States says that about the state of the economy.

Here he is just a week ago at the National Governors Association: The economy and jobs are on my mind. I am pleased the economy is growing.

Tell that to the more than 2 million Americans who have lost their jobs under this administration, who are waiting for jobs. Tell them the economy is just going hunky-dory.

Now what is happening? This is the projection the President has made about job growth since the time he became President of the United States. The difference between his projection and the reality is 5.2 million jobs short of his promise when he became President of the United States. That is the reality.

Take a look at what he said each year and where these promises have come out. When we take a look at the year 2002 promise by the purple line, these are the projections of growth. Well, then he comes back to 2003. That is not going to happen. We are going to come back to 2003. This is the millions of jobs that are going to grow in the United States. It is going to be that green line. No, no, that is not right; 2002 was not right. I am going to tell you what is going to happen in 2003. It is going to be this level.

The fact is, this is the red line and it is constantly down. Why does the President constantly misrepresent what is happening in terms of jobs across this country? The fact is, people are hurting.

We can look at the restored economy. The President refers to the state of the economy and how the recession is over. Look at the state of comparing the

current recovery to the recoveries over the period of the last 40 or 50 years. Let's look at job growth recoveries even before 1991. The recoveries from 1991 to 1993 under the Democratic administration, look at the job growth going up. Look at where the jobs are occurring under the current recovery, and this President says everything is hunky-dory?

Talk about jobs, look at the record. The record speaks for itself. Look at what is happening to the average wage of jobs lost in 2001 and the average wage of jobs created today. This is the Bureau of Labor Statistics. The average wage in 2001 of jobs lost was \$44,570. The average wage of jobs gained is \$35,000. That is a 21-percent reduction in the average wage between 2001 and today.

This President says in the State of the Union that everything is fine. Economic growth is at the fastest rate in 20 years, jobs are on the rise.

This is what is happening out in real America. This is happening out across this country. It is happening not only in the Northeast, it is happening in South Carolina, which has lost more manufacturing jobs per population than any other State in the country, let alone what is happening in the Midwest and the Southwest.

Look at this chart, which is an indicator of what happens to wages when coming out of a recession. The President said we had inherited a recession but now everything is going well.

We have had these series of recessions from the 1990s all the way up to 2000. In the fourth quarter, that is what the uniform measurement is to indicate, whether one is coming out of a recession.

Look at the increase in wages from \$16 to \$18, all during the 1990s, up to the year 2000. Look at the current recovery from 2001 to 2003: old jobs \$16, new ones \$15. There it is again. This Bush economy creates new low-paying jobs, and it is reflecting itself across this country.

This chart shows the States with jobs shifting to lower paying industries. The darker green are all the States where that has happened. There are two States, Nebraska and Nevada, in the country where the new jobs are paying more than the old jobs. They are the only two States. In the other 48 States, new jobs are paying an average 21 percent less.

That is happening. Not only are we over 2 million jobs below where we were when this President took office, but even the new jobs that are being created under this administration are tragically low paying.

In terms of what they are doing to the families, the result of this is very clear. This is just a very quick picture of what is happening to families under this administration. You have 13 million children, now, who are going hungry. You have 8 million Americans who are unemployed, and 8 million Americans who fear they are going to lose

overtime. This isn't bad enough about what is happening to wages, but now the administration says it is going to take overtime pay away from workers. We might have a lot of economic problems in this country, but the idea that firefighters, policemen, and nurses are getting paid too much doesn't appear to me to be one of them. It does to the administration.

Look what has happened. We have 7 million workers waiting 7 years for a raise in the minimum wage. Where are the Members in the Republican leadership? When is this President going to say 7 years at \$5.15 is too little in this country? We have a majority of the Members of this body who will vote for an increase in the minimum wage. Why are you stifling that? Why do you block it, year after year after year? That is the record, 7 million.

The recipients of the minimum wage are mostly women, 62 percent women. It is a women's issue. It is a children's issue because one-third of the women have children. It is a children's issue and a women's issue. We don't want to hear from the other side about family values anymore. These are families, single women, trying to bring up their children. It is a civil rights issue. Most of those who earn the minimum wage are men and women of color. And it is a fairness issue. All Americans understand fairness. They say if you work 40 hours a week, 52 weeks a year, you should not live in poverty.

But, no, we can't even get a vote. We can't even get accountability. Everything is going fine. That is what the President said in the State of the Union. That is what he just told the Nation's Governors. Everything is fine. Everything is good.

Now the Senator from Connecticut has a concrete proposal to do something about it, and he is denied the opportunity to get a vote up or down. What is with this Republican leadership?

These are some of the challenges we are facing. I will just give an example of what has happened in recent times, in terms of our recovery. We hear how well things are going on Wall Street. We have heard that time in and time out. Look at this chart. This is "The Corporate Profits Ballooned Compared to Workers' Wages."

Look at what happens, the difference between wages and corporate profits for the economic recoveries during the 1990s: 60 percent of the expansion of the economy went to wages; 39 percent went to corporate profits. Now, in the year 2002, look at today's recovery: 86 percent is going to profits and 13 percent to wages.

You wonder why workers aren't getting paid as much? There it is, it is as clear as can be. There may be a chart here you might be able to explain, but you can't explain them all. You can't explain the number of children in poverty, the number of children who are hungry. You can't explain the allocation of wages and what is happening in

real wages. You can't explain the fact that 48 out of the 50 States are losing good-paying jobs that are being replaced with jobs that don't pay as much. This economy needs focus, it needs attention, and it needs action.

The proposal of the Senator from Connecticut is action. We have debated it, discussed it, but somehow we have a sense we get a slow walk around here, a slow walk. We are being denied the opportunity to get a chance to address some of these issues. Why aren't we getting a chance to address some of these issues on unemployment? We have 58 Members of this body, Republican and Democrat alike, who want to extend the unemployment compensation to workers who have worked hard and paid into that fund. The fund is \$15 billion in surplus which these workers paid in. The total cost of the proposal of the Senator from Washington is \$5.5 billion. It will still be in surplus.

We have 90,000 workers a week—listen to this. Mr. President, 90,000 workers a week across this country are losing their unemployment compensation; 90,000 a week. That is per week. That is happening all across this country. These are men and women who have paid into the unemployment compensation fund. Generally, when we have had these kinds of economic crisis, we have extended the unemployment compensation to workers when we have a decline in the economy. Does anyone in the world believe that workers in 48 out of 50 States who are losing their jobs, who are seeing a decline in their income, that it is their fault? Of course it is not their fault. It is the failed economic policies.

You know, it would be one thing if we had an administration and President who said: Oh, yes, that is right. But here we just have statements after statements about how well it is all going for workers across this country, and that just is not so. That is of central concern to families all across this Nation.

We have an opportunity this morning to make a small downpayment with the Dodd amendment. It demands action. It makes sense. It will do something—not everything, but it will be a strong indication to workers in this country that we are taking their plight seriously and that we want action on their behalf. That is what the Dodd amendment is. It would be absolutely irresponsible if this body refused to give us a chance to get a vote on this kind of amendment. It is so important for workers, for families in this country. It would send such a message to families across this country that this institution hears what is happening to their children, to the young people, to the families who can no longer afford the college tuition that has been exploding; to the families who can't afford the prescription drugs because the costs escalated so dramatically over this period of time.

To all of those families and the families who are losing their unemploy-

ment compensation, who are going to have difficulty paying the mortgage and putting food on the table and looking out for their children, this is a family issue, a fairness issue, and the Dodd amendment moves us in the right direction.

Mr. DODD. Will my colleague yield?

Mr. KENNEDY. I yield.

Mr. DODD. I raise an issue, because it has been raised in the last 24 hours or so, that one of the things the administration is doing is putting resources into vocational education, education and job training. I know my colleague, from his extensive work in this area, and knowing the committees we serve on together deal with some of these issues, but you might just recount what the proposals are in vocational education, job training, all of these programs that would put more resources out there to make it possible when people lose their jobs to find additional work. Isn't it a fact we are cutting back in these budgets?

Mr. KENNEDY. The Senator is quite correct. The Senator probably remembers the State of the Union speech where the President announced a new program in association with community colleges—\$250 million. Then he went out the next couple of days and went to community colleges and worked with local workforce groups about this issue.

At the same time, they have cut \$800 million from the identical training programs in the last two budgets. That is the record. We can go back. I haven't got the appropriations here, but I know it. I am familiar with it because we resisted it and we had amendments here. Again, there was an amendment from the Senator from the State of Washington to restore the training programs. Nonetheless, those programs were cut.

You talk one way one day and another way another day. We saw the classic example of it in the State of the Union. We were talking about: Oh, yes, we are going to have a workforce community-based community college program to upgrade the skills. But in the previous year, and the year before, cutting those work training programs. People aren't stupid on this. They know it. I am sure they know it in Connecticut. I know they know in my State, on these workforce investment boards, what is happening and its devastating impact.

We had a strong bipartisan effort, when Senator Kassebaum and Senator JEFFORDS chaired, as the Senator from Connecticut remembers. First we had the JTPA, a program we worked out in a bipartisan way in the committee that was chaired by Senator Dan Quayle. People differ about Senator Quayle. He was a stalwart on job training. It was the only social program that passed, as the Senator remembers, during the first 4 years of President Reagan and it took a lot of courage for Dan Quayle.

Then we went beyond that. Because we had over 125 different job training

programs in 12 different agencies, we wanted to get these pulled together, so we had a Kassebaum-Kennedy commitment to get workforce training in one place. It was bipartisan. We began to fund it and then what happens? As soon as we begin to get life in that, this administration effectively guts this program.

Mr. DODD. I remind my colleague, and I am sure he knows these numbers, this year's budget proposal reduces worker investment programs by \$400 million. So here you have 2.8 million jobs being lost in manufacturing. Those people who cannot find work are getting jobs at far less wages and salaries than they had in their previous job. Yet we find when it comes to worker education and investment issues the budget actually reduces the amount we are going to commit to those programs by almost a half a billion dollars. I wonder if my colleague has something to say about that.

Mr. KENNEDY. The Senator is absolutely correct.

I answer the Senator in this way. The Senator's amendment is so timely. We have three—I believe we have seven, and I have others back at my office—national or international magazines. This is February 21, *The Economist*, "New Job Migration." Here is *BusinessWeek*, "Will Outsourcing Hurt America's Supremacy?" Here is *Time* magazine, March 1, "Are Too Many Jobs Going Abroad?"

These are national publications—national magazines. That is what the debate is about. The Senator from Connecticut has an amendment dealing with these very issues. Nothing could be more current.

Why aren't we getting an opportunity to debate these issues which just about every publication in the country understands is a major issue, and certainly every working family in this country understands. The Senator has proposed an approach on this that can make a major difference. I am troubled, as he must be, that he is not able to get a clear-cut judgment decision.

Mr. DODD. I thank my colleague. I was prepared to vote. We offered the amendment at about 3:30 yesterday afternoon. This is a very simple proposal.

There are those who are for outsourcing. The administration has indicated that it is a good thing for the economy to outsource jobs. I presume there are people in the Chamber who share that view. Why not vote up or down instead of going through the gyrations of trying to find some cute way of avoiding having to vote on this issue or coming up with some phony alternative believing that outsourcing is good for the economy? I think shipping jobs away, destroying the manufacturing base and human capital investment that makes it possible in the 21st century for us to be competitive in a global economy is the wrong way to proceed.

I understand there are those who disagree with me on that. If they do, come down and vote no. It is that simple, and the Senate can speak on this issue.

Mr. KENNEDY. The Senator has put the case well. The other part goes beyond the question about whether you favor that or not—the tax provisions which have been included in the proposal which are basically subsidizing. You have workers who are basically subsidizing the export of other jobs, which is being addressed by the Senator. You ask, What in the world? This is a matter of public policy. Does that make sense? Several enormously important public policy issues and questions are included in the Dodd amendment. They deserve debate and they deserve action on the floor of the Senate.

I conclude and remind our colleagues about what is happening across the world. That is on this chart. American workers are working longer. American workers are working harder. American workers saw their incomes go down over the period of the last 2½ years.

These are all of the other industrialized nations in the world.

It isn't only these workers. Women in our society, women are working longer and harder.

Our challenge isn't about American workers, it is about the policies. The Dodd amendment gets to those policies. The American workers are entitled to accountability on it.

He has an excellent amendment, one that I support and which hopefully we will have an opportunity to get to.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I have sat here and listened to my two distinguished colleagues on the other side of the aisle. I have to admit I believe the distinguished Senator from Massachusetts is one of our most colorful Senators in the Senate. He is a person I respect, and with whom I have a personal friendship. But that doesn't mean we agree on a lot of the things he says. In fact, we don't.

I don't think President Bush has been saying the economy is hunky-dory, to paraphrase what the distinguished Senator from Massachusetts characterized the President as saying. I think the President realizes there have been lots of problems that have arisen, as each President has had to face problems. He has faced them in large measure in a whole variety of ways, but in large measure by cutting taxes, which now happens to be paying off because we have gotten great benefits from the cuts in taxes. Frankly, 125,000 jobs a month are coming back. That is not something to sneer at.

I might also mention we get nothing but screams on the other side of the aisle that unemployment compensation isn't being continued. But I remember back in the Clinton administration when unemployment was, I believe, at 9 percent—certainly higher than it is today—and they discontinued unemployment compensation, and they

controlled the Senate floor. Today, we have a 5.6-percent unemployment rate, which is one of the lowest we have had in years. If you look at it from the other survey, which I think is probably more accurate, it is probably lower than that.

For anybody to say we don't have problems in this society today would be wrong. But we had problems in our society through all of the Clinton years as well.

By the way, when President Clinton came into office, we were definitely coming out of a recession, and he reaped the benefits of many of the things that President Bush 1 actually did. He had a number of very good years. I don't believe it was because they increased taxes the way they did. It was because we were already starting to come out of the recession and one of those cyclical periods.

Let me just say this: When President Clinton left office, I don't think anybody could deny that in the last year of his term in office we were starting into a recession again, which President Bush inherited.

To stand there and blame President Bush for everything that has gone on is wrong, and it shouldn't be done. And to indicate that President Bush says everything is hunky-dory, that there are no problems in our society, is to ignore many of the statements President Bush has made and that his administration has made.

If we had listened to our friends on the other side, over the last year alone we would have spent \$1 trillion more. Our budget would have been so out of whack we would never get it back.

Yet they are trying to tell the American people they are the fiscally responsible party? We can't bring up a spending bill that they don't want to double. They think that is good for the economy.

On the minimum wage, look, I suspect minimum wage will be increased this year. I remember only one time when the Senate voted down the minimum wage, and that was because the distinguished Senator from Massachusetts and others tried to overdo it just a short time after the last raise.

We are talking about jobs, too. Just remember that every time the minimum wage rate goes up, all kinds of kids—mainly young African-American kids who can't get those starter jobs—wind up being on the unemployment rolls, many of them for the rest of their lives. Some estimate it as high as 600,000 of them every time the minimum wage is increased.

I think it is a great argument to argue about the minimum wage and how we want to get people more money, and then turn around and say we are losing jobs in North Carolina and South Carolina without acknowledging the fact that the reason we are is because China is paying people 39 cents an hour for textile work.

We are either going to have to have the Federal Government pay to resolve

these problems in every way, which would cost billions and billions of dollars more, boosting up one aspect of our economy that basically we have lost because of competition—or, we will all have to begin to understand competition. This country is the most competitive country in the world. We are the most productive country in the world. However, we need to recognize and focus on our strengths.

In all honesty, if our friends on the other side are really sincere about creating jobs, why did they refuse to go to conference on the Workforce Investment Act? That bill has been put back light years because of the refusal to go to conference and resolve this matter. This has offended the House and now we may or may not get that bill. That would be a helpful bill with regard to jobs.

We should be wary of retaliation. I respect my friend from Connecticut, as well. But sometimes we do not think it through when we do these broad, over-sweeping things like preventing government outsourcing. We should be wary of retaliation against United States companies that get awarded foreign government contracts. Let me give a few examples.

Entrust is a perfect example. Internet security company Entrust Inc. was awarded a \$17.6 million contract by BCE Nexxia for enhanced Internet security software and services for the Canadian Government's Secure Channel project.

By the way, you could name dozens of companies that are doing the same.

"The contract is the largest in Entrust's history and reflects how we are collaborating with service providers to deliver solutions tailored to the government, financial and Global 100 enterprise market sectors we announced in early June," CEO Bill Conner said in a statement.

BCE Nexxia, leading a consortium including BCE Emergis and CGI, was awarded a \$37.6 million contract to build and manage a technology infrastructure for the Canadian Government. The company, a division of Bell Canada, provides communications services and operates an IP-broadband network. Bell Canada is 80-percent owned by BCE Inc. of Montreal and 20 percent by SBC Communications Inc. of San Antonio.

I could go on and on about this.

Computer Sciences Corp. of El Segundo, CA, won a contract to replace Human Resources Development, Canada's network operating system, with new hardware and software, the company announced November 15.

Human Resources Development Canada provides Canadians with employment insurance, income security, employment programs, corporate services, and homelessness and labor services using several means, including walk-in services, automated telephone systems, and self-service kiosks. About 26,000 agency employees use the network. The contract includes IT architecture,

software license arrangements, server hardware, and services for transition, migration, implementation, support, and maintenance.

My gosh, one reason we are trying to do the FSC/ETI-JOBS bill is to jump-start our economy and because we are being assessed \$4 billion in trade sanctions if we do not resolve some of these conflicts in our relationship with the E.U.

Want to lose jobs? Don't support this bill or keep gumming it up. And we are gumming it up with legislation that literally will cause even more angst and will probably cost us \$4 billion in the end. And that means jobs.

"This is an important contract for CSC in the Canadian federal government information technology market and further expands our presence in Ottawa region," said Tony Canning, president of CSC's Canadian operations. "We look forward to serving HRDC in implementing and supporting the state-of-the-art networking system."

In support of CSC, Compaq Canada Inc., Richmond Hill, Ontario, subsidiary of Houston-based Compaq Computer Corporation, will provide server technology and CDI Corporate Education Services Corporation of Toronto will offer training services.

Digimarc ID Systems, a wholly owned subsidiary of Portland-based Digimarc Corporation, has extended an agreement with the Brazilian Government.

The Bedford, MA, based—that is a Massachusetts company, by the way—based subsidiary announced Tuesday the Brazil Federal Police has contracted with Digimarc ID Systems to continue producing the country's alien ID cards. Since 1997, the Brazil Federal Police has issued more than 1.5 million of the cards to people who live in Brazil under work or immigration visas. Digimarc ID Systems provides hardware, software, maintenance, and operations support to the Brazil Federal Police.

What are we going to do, have countries all over the world retaliate against us because we are going to have a bill here that is filled up with this type of stuff?

Harris Corporation, an international communications equipment company, and RAYLEX S.A, Harris's representative in Chile, announced today the signing of a contract valued at \$11 million with the Chilean Government. The contract includes the complete supply and buildout of the world's largest microwave network. The network will cover a total of 4,500 kilometers, interconnecting phone services, data, video conferencing, and other multimedia services for the customer. Extending from Arica in northern Chile to Puerto Mont in the southern part of the country, the network is expected to benefit both cities' metropolitan regions as well as all major cities between Arica and Puerto Mont.

We are all concerned about preserving American jobs, but we need to

make sure the cure is not worse than the disease.

I am getting tired of cheap shots being made against President Bush. I got tired of some that were made against President Clinton and against President Carter, because I was here. It is time to work together and this bill is one of the most important bills in recent history because it will create jobs. It will jump-start the economy. It will save us \$4 billion in trade sanctions. It will help us.

We should not be debating this for days and days. We ought to pass this bill. We ought to pass this bill and get it going. We have to resolve the conflicts between the House and the Senate. That is always difficult, but we have been able to do it in some of the major bills of the past.

It is misleading for people to come to this floor and just chop up the President, who is doing the best he can, and who is a great sponsor and supporter of this particular piece of legislation, which is one of the most important pieces of legislation with regard to jump-starting this economy and jump-starting jobs in this economy.

It is time to work together and quit trying to make political points and get something done. I suggest we do a little less screaming on the floor and a little more work and get this bill passed as soon as we possibly can.

AMENDMENT NO. 2680 TO AMENDMENT NO. 2660

Mr. MCCONNELL. On behalf of myself and Senator FRIST, I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL] for himself and Mr. FRIST, proposes an amendment numbered 2680 to amendment 2660.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To protect the jobs of American workers)

On page 7, strike lines 10 through 14 and insert the following:

This title and the amendments made by this title shall take effect 30 days after the Secretary of Commerce certifies that the amendments made by this title will not result in the loss of more jobs than it will protect and will not cause harm to the U.S. economy. Such certification must be renewed on or before January 1 of each year in order for the amendments made by this title to be in effect for that year.

Mr. MCCONNELL. I rise today to offer on behalf of the majority leader and myself a second-degree amendment on behalf of the 6.4 million Americans who earn their livelihood in our country while working for foreign corporations.

This amendment is very simple. It delays the effective date of the

outsourcing provisions until the Secretary of Commerce certifies the amendment made by this title will not result in the loss of more jobs than it will protect and will not cause harm to the United States economy. In short, it is a do-no-harm provision. Remember, 6.4 million Americans have their jobs in the United States as a result of foreign companies doing business here.

Senator DODD's fundamental goal of encouraging and protecting American jobs is certainly a sound one. No one can argue with that. However, it may jeopardize many more jobs in the process of trying to achieve a laudable goal. These 6.4 million Americans depend on salaries from foreign corporations to feed their children, provide them shelter, education, and health care.

If America erects a global jobs barrier, nations around this world may retaliate in kind. This would put at risk those 6.4 million jobs I have been talking about. These are real numbers, real jobs, and real families put at risk.

Yesterday, the Senator from Connecticut stated he was told over the next decade over 3 million American jobs may be outsourced. Unfortunately, with American jobs at stake we cannot risk what is or what may be. What is, right now, is the existence of 6.4 million American jobs, not over the next decade but right now, real numbers calculated by the Census Bureau.

Let's just take Kentucky, for example. We have 104,100 people in my State employed by foreign companies or their affiliates. That is a lot of jobs in a State of 4 million people. It is a huge number of jobs.

In Connecticut, 116,000—even more than in Kentucky—jobs are held by citizens of Connecticut who are working for foreign corporations doing business in Connecticut. These pale in comparison to what is at stake in the State of Massachusetts—223,300 jobs—Massachusetts citizens working in Massachusetts for foreign corporations—an astonishing number, indeed. Again, in Massachusetts, nearly a quarter of a million workers, their families and their children, are put at risk potentially by the amendment of the Senator from Connecticut—real jobs and real families facing real unemployment and real hardship.

For the sake of these jobs, I strongly urge my colleagues to adopt the amendment I have just offered. The underlying legislation is the JOBS bill. That is what this underlying bill is all about: American jobs.

It is counter to this legislation and our duties here as Members of this body to take action which puts 6.4 million American workers' jobs at risk. That is not what we ought to be doing on the floor of the Senate.

Finally, let's just drive the point home by looking on a State-by-State basis at how many jobs are in the United States as a result of foreign corporations doing business in our various States.

Let's start at the top of the alphabet: Alabama, 76,800 jobs; Alaska, 11,600 jobs;

Arizona, 75,200 jobs; Arkansas, 40,400 jobs; California, 737,600 jobs—the number of people in California in jobs as a result of foreign corporations doing work in California; in Colorado, 101,000 jobs; in Connecticut, as I mentioned earlier, 116,000 jobs; in Delaware, 33,400 jobs; in the District of Columbia, 17,100 jobs; in Florida, 306,900 jobs—Floridians working for foreign corporations; in Georgia, 223,900 jobs; in Hawaii, 43,300 jobs; in Idaho, 14,200 jobs; in Illinois, 317,100 jobs; in Indiana, 165,900 jobs; in Iowa, 40,300 jobs; in Kansas, 60,600 jobs; as I mentioned earlier, in the Commonwealth of Kentucky, 104,100 jobs; in Louisiana, 61,100 jobs; in Maine, 33,400 jobs; in Maryland, 110,400 jobs; as I mentioned earlier, in Massachusetts, 223,300 jobs; in Michigan, 246,500 jobs; in Minnesota, 103,100 jobs; in Mississippi, 23,900 jobs; in Missouri, 105,100 jobs; in Montana, 6,800 jobs; in Nebraska, 21,800 jobs; in Nevada, 35,700 jobs; in New Hampshire, 45,900 jobs; in New Jersey, 269,100 jobs; in New Mexico, 16,300 jobs; in New York, 471,600 jobs; in North Carolina, 261,600 jobs; in North Dakota, 8,600 jobs; in Ohio, 259,400 jobs; in Oklahoma, 41,800 jobs; in Oregon, 62,300 jobs; in Pennsylvania, 280,800 jobs; in Rhode Island, 24,400 jobs; in South Carolina, 137,600 jobs; in South Dakota, 6,900 jobs; in Tennessee, 148,600 jobs; in Texas almost a half million—437,900 jobs; in Utah, 37,400 jobs; in Vermont, 11,600 jobs; in Virginia, 179,200 jobs; in Washington, 104,200 jobs; in West Virginia, 27,600 jobs; in Wisconsin, 106,800 jobs; in Wyoming, 7,800 jobs.

There is an enormous number of Americans—6.4 million Americans—working in America, working in our country, employed by foreign corporations. We do not want to gamble with that. Outsourcing is a matter of concern, but we are proud of the insourcing that is going on, too, and the fact there is an enormous number of foreign corporations that have come into our country because they think it has a good business environment, because they want to employ Americans to produce products here in our country.

Mr. President, I hope this amendment on behalf of the majority leader and myself will be adopted.

Mr. GREGG. Mr. President, will the Senator yield for a question?

Mr. McCONNELL. I will.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I think the Senator has made an extraordinarily strong point. I noticed when he got to New Hampshire, he said 45,000 jobs in New Hampshire are tied to businesses which are non-American owned. Is the Senator aware the largest employer in the State of New Hampshire is not an American company?

Mr. McCONNELL. I did not know that, and I think that is a very interesting point to be made.

Mr. GREGG. Literally thousands of people's lives would be affected if that

country, which happens to be England—our closest ally, closest friend, one of our largest trading partners, after Canada—if that country were to take the view that is being taken by the Senator from Connecticut, that they should deny their companies creating jobs in the United States. That company would be closed down in Nashua, NH, our second largest city and our largest employer. Is the Senator aware of that?

Mr. McCONNELL. I was not aware of that, but it certainly illustrates the point the Senator from Kentucky was trying to make.

Mr. DODD. Will the Senator yield on that very point just made?

Mr. GREGG. I do not have the time.

Mr. McCONNELL. I have the floor. I yielded to the Senator from New Hampshire.

Mr. DODD. I would just like to point out—

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. McCONNELL. If we could have one at a time, Mr. President. I yielded to the Senator from New Hampshire for a question.

Mr. GREGG. Mr. President, I was wondering if this does not also flow into the issue of our ability to access other markets. If we are in the business of trade, where 30 percent of the jobs in New Hampshire are tied not to being owned by a foreign country but being able to sell products to a foreign country—30 percent of our jobs; for one in three workers in the State of New Hampshire, their job is directly related to the fact that the product they make is sold overseas—is it not logical that if we begin to close down our borders, we are basically opening a trade war, and that we could potentially close down those jobs, too, because some nation may retaliate in some other way other than not allowing outsourcing?

Mr. McCONNELL. I say to my friend from New Hampshire, that is precisely the point. I think retaliation would be the order of the day. I will give you an example in my State. The Japanese corporation Toyota chose to outsource from Japan to the United States over 8,000 jobs to Georgetown, KY, to build the Toyota Camry. Eight thousand Kentuckians are employed at that particular site as a result of the outsourcing from Japan of those jobs into my State. They are high-paying jobs. We are extremely pleased they are there, and we would not want to do anything to jeopardize the existence of Toyota or the 50 or 60 supplier plants that have come into my State as a result of the Toyota company being there to send parts to the Toyota plant. Under their "just in time" supplier strategy, they send parts up there every day to be installed in those cars, employing a dramatic number of Kentuckians in addition to the 8,000 who are there at that site.

So the Senator from New Hampshire is exactly on point. I thank him for his contribution.

Mr. GREGG. Mr. President, I appreciate the Senator pointing those out in specific terms as to what the potential effect of this language might be. It is using a club to address an issue which is an issue, a concern, which is, obviously, our competitiveness as a society. But isn't the key to our competitiveness not to shut down markets, but to open markets, and to allow products which we make better than other countries to be sold into those countries?

Wouldn't this amendment in the end probably lead to a loss of jobs in the United States, not only from nations such as Japan saying they were not going to outsource their jobs, but our people who are employed in selling products overseas potentially losing their jobs?

Wouldn't it fundamentally undermine the whole concept of opening barriers for trade, creating more opportunities for trade and, as a result, lead to potentially a chilling environment which would have a huge impact on our economy, the largest in the world?

Mr. McCONNELL. I think the Senator from New Hampshire is precisely correct. It has been the policy of the leaders of both political parties in recent decades to break down barriers overseas, to expand trade, to move us into the global economy in a more and more dramatic fashion, the feeling being that America in the global economy can be a winner and is a winner.

I think the Senator from New Hampshire is precisely on target, and I thank him for his question.

Mr. GREGG. If I may ask an additional question, this is such a crucial issue. We hear now, from the patter of the national campaign on the other side of the aisle, that maybe we should move back toward protectionism. This amendment to me is a stalking dog for that sort of an attitude. It is colored by fairness and reasonableness. But as a practical matter, its effect will be to create retaliation, as we have discussed.

I guess my question is this: Are we a nation that believes we can compete in the world or aren't we? Are we a nation that believes our people are smarter, brighter, and more productive than anybody else in the world or aren't we?

I look at New Hampshire and I know our people are smarter, brighter, and more competitive. I look at Connecticut, a neighboring State which I know quite well. Every time I drive through Connecticut I am impressed. I know it is built on smart, bright people. I suspect that is the case in Kentucky, too.

My question is, Are we so fearful of our capacity to compete as a nation that we must put forward this new concept which we hear pattering from the other side of the aisle toward us of protectionism or should we follow what the great leaders of our Nation—Truman, Roosevelt, Franklin by the way, not Theodore, Kennedy, Johnson, Clinton—stood for, which is that we are a nation that competes and competes well?

Mr. MCCONNELL. We absolutely should stand for competition and be confident that our own people have the intelligence and the ingenuity and the energy to compete in the global economy.

I don't think we should be afraid of this at all. I think the Senator from New Hampshire is precisely on target. This is why the voting record of, say, for example, the Democratic nominee for President reflects a belief in free trade, a consistent pattern of voting for free trade agreements.

I hope this bipartisan support we have had for breaking down barriers and competing in the world market and moving in the direction of free trade will not be jeopardized in this Presidential election year.

Mr. GREGG. I appreciate the Senator's courtesy.

Mr. MCCONNELL. I yield the floor.

The PRESIDING OFFICER (Mr. GRAHAM of South Carolina). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, these Senators speaking remind me that "made in America" has always been a badge of honor, a badge of distinction—"made in America." It shows that America can compete. America has competed and America has won over the long, long haul.

We have been hearing from the defeatist wing of the Democratic Party, not from the wing of the Democratic Party that says the United States can compete and win and can even do it from a position of leadership. I am not prepared to be a defeatist in international trade. I intend to wear that badge "made in America" with honor, as it has been for decades and decades.

I think we need to remind the Senate now, after 24 hours on this legislation, what we are facing. It looks as if we have from here until hell freezes over to get this legislation passed. Already we are in a situation where the United States is suffering as a result of inaction by Congress. People need to remember that Senator BAUCUS and I worked very carefully to put together a bill that would go through this body very easily, and now we are seeing it stalled with things that may be legitimate issues. But while people are complaining about jobs going overseas, this bill that was voted out of committee 19 to 2 is being stalled.

In the process of stalling, U.S. manufacturing is already facing a 5-percent surcharge by Europe, to the point where it is not a case of just paying 5 percent more.

It is probably the case with a lot of our products that our products might not even be competitive and we are not selling. When you can't sell, people are laid off. So I think instead of worrying about situations that you want to help for the future, we have an opportunity to keep jobs that we know exist today, will continue to exist, and are only in jeopardy because of sanctions being put on our products by Europe.

We might be facing an amendment on overtime coming up shortly. It is one

thing to worry about people getting overtime, but if you don't have a job, you can't even get overtime. So we have to get back to the basics. The basics are what this legislation is all about—maintaining the competitiveness of our industry, not going backwards.

While this bill is being stalled by other issues that are very legitimate—and I have talked to the Senator from Connecticut about the legitimacy of his issue and also about some modifications he made to get this through—it is holding up a bill that came out of committee 19 to 2. Those two votes were not cast by Democrats against the bill. They were cast by Republicans.

This bill should go forward to get rid of that 5-percent surcharge that we have on our products. In April it is going to be 6 percent, and in May it is going to be 7 percent. By the election it is going to be 12 percent. That is the basic issue before us.

I also wish to address some of the things that Senator KENNEDY said. I don't want to address them from my point of view. I wish to address them from the point of view of the intellectual wing of the Democratic Party. We heard from the political wing of the Democratic Party by Senator KENNEDY. So I would like to refer to an article written by Robert B. Reich, Secretary of Labor in the Clinton administration, a Secretary of Labor concerned about jobs. He also is an adviser to the Democratic candidate for President. He ought to be listened to. This is what former Secretary Reich had to say in an article, printed December 26:

It's hard to listen to a politician or pundit these days without hearing that America is "losing jobs" to poorer nations—manufacturing jobs to China, back-office work to India, just about every job to Latin America. This lament distracts our attention from the larger challenge of preparing more Americans for better jobs.

It seems to me that what Secretary Reich is saying to the political wing of the Democratic Party from the intellectual wing of the Democratic Party is we ought to be looking to the future, there are big challenges out there, and you should not spend all of your time haranguing about stuff that maybe you can't do a whole lot about.

"Most jobs losses over the last 3 years," Professor Reich says, "haven't been due to American jobs moving anywhere."

I will start that over again:

Most jobs losses over the last 3 years haven't been due to American jobs moving anywhere. They have resulted from an unusually long job recession. Hopefully, that is coming to an end.

It is, and that is my parenthetical comment.

We can debate whether the Bush administration has done a good job, or the right things to accelerate a job recovery, but job growth eventually will resume—

Parenthetically, we know it is resuming—

as aggregate demand bounces back.

Continuing to quote:

It is true that U.S. manufacturing employment has been dropping for many years, but that's not primarily due to foreigners taking these jobs.

Let me stop there. Senator KENNEDY, do you realize the intellectual wing of your party says manufacturing employment dropping hasn't been primarily due to foreigners taking these jobs? Then I quote:

Factory jobs are vanishing all over the world. Economists at Alliance Capital Management took a look at employment trends in 20 large economies and found that between 1995 and 2002, 22 million factory jobs had disappeared. The United States wasn't even the biggest loser. We lost about 11 percent of our manufacturing jobs in that period—

Wasn't most of that 5 years during the Clinton administration?

[But the Japanese lost 16 percent of theirs. Even developing nations lost factory jobs: Brazil suffered a 20 percent decline, China a 15 percent drop. What happened to factory jobs? In two words, higher productivity.]

Parenthetically, that is exactly what we have seen in the U.S.—higher productivity over the last year and a half. Last month was the highest productivity in 50 years. You have to go back to July 1950 to have the productivity gains that we have had.

Professor Reich goes on to say:

I recently toured a U.S. factory containing two employees and 400 computerized robots. The two live people sat in front of computer screens and instructed the robots. In a few years, this factory won't have a single employee on site, except for an occasional visiting technician who repairs and upgrades the robots, like the gas man changing your meter.

I suppose I could quote the whole long article, but there is one other thing I ought to say. The intellectual wing of the Democratic Party is advising everybody, but it is good advice for the political wing of the Democratic Party as well:

We should stop pining after the days when millions of Americans stood along assembly lines and continuously bolted, fit, soldered, or clamped whatever went by. Those days are over. And stop blaming poor nations whose workers get very low wages.

Professor Reich asks the question: "Want to blame something?"

If the political wing of the Democratic Party wants to blame something for loss of these assembly line jobs, he says: "Blame new knowledge."

Well, isn't that something we expect in the evolving world—new knowledge and making use of new knowledge?

He says here:

The Internet has taken over the routine tasks of travel agents, real estate brokers, stockbrokers, and accountants. With digitization, high-speed data networks and improved global band width, a lot of back-office work can now be done more cheaply abroad. Last year, companies headquartered in the U.S. paid workers in India, China and the Philippines almost \$10 billion to handle customer service and paperwork.

Well, this article is probably summed up in a subheadline in the middle of the article, which says: "Remember the elevator operator? Jobs become extinct."

Isn't that true? But in the Senate we still have elevator operators running automatic elevators, pushing buttons that somehow a Senator doesn't have time to push or something.

What does the political wing of the Democratic Party want? Do they still want people making buggy whips when we don't have buggies anymore? Times change, but the defeatist wing of the Democratic Party has lost confidence in America. They don't think "made in America" is a badge of distinction anymore.

There is one other reference I would like to make. When this issue was talked about on ABC News on February 22, we had these exchanges between George Stephanopolous, Senator JOHN EDWARDS, and Senator JOHN KERRY. I don't hear this complaining that I hear from the political wing of the Democratic Party from these three Democrats. I don't hear their suggestions for solving this problem having anything to do with the amendment of the Senator from Connecticut. So I am going to quote George Stephanopolous, as he has a short interview with these two candidates:

Another big jobs issue has come up in the last couple of weeks, the issue of outsourcing.

The very issue of this amendment.

The chairman of the Council of Economic Advisers for President Bush got into a lot of trouble when he said that outsourcing is a plus for the American economy.

We have been over that 100 times.

But when you look at this issue—

He is asking Senator EDWARDS—
what can you do about it?

Senator EDWARDS:

This is a very complicated issue.

OK, can we agree that it is a very complicated issue? If it is a complicated issue, I doubt if just President Bush is responsible for it or just President Bush is going to do anything about it. Anyway, he says:

This is a very complicated issue. It has caused a whole group of things. One is—the thing that actually concerns me the most is that I worry that we are starting to lose our edge in science, math, and technology. China graduated about half a million engineers last year. We graduated 60,000 to 65,000. And since we are going to have the standard of living we have in this country, in fact we want to improve it, not make it worse. We always—it is going to be critical for the American worker to be more productive than other workers around the world.

Then he goes on, after a short comment by George Stephanopolous, to say:

We—training, education. We need better and stronger science and math curriculums, particularly in our early grades. We need to strengthen our graduate programs in this area. The other thing that we can—where we can have a real image is we ought to build broadband high-speed Internet out in every community in the next four years, because there are lots of parts of America where it is easier for these companies to do business in India and China because they have access, and they don't have that access in rural communities in a lot of America.

Every one of us ought to be able to buy into that, but it seems that Senator EDWARDS is speaking for the intellectual wing of the Democratic Party, looking to the long view, education and training, not some short solution that probably won't work and might even do more harm than good.

And then George Stephanopolous asks this question to JOHN KERRY:

Senator Edwards says the most important thing to do is to improve math and science education. Do you agree with that?

Senator KERRY:

It's one of the most important things to do. If you don't give the American worker a fair playing field to compete on, we're going to continue to be disadvantaged. I'll give you an example. China manipulates the currency. China does not enforce intellectual property laws. China and other countries have not allowed us to have fair access to the marketplace.

Skipping down:

Education, I mean that's not new. Education was the centerpiece of Bill Clinton's Presidency. It's the centerpiece of my proposals. There are a whole series of things that we can do.

Here again the person who is following the advice of Robert Reich representing the intellectual wing of the Democratic Party is looking ahead. I do not see these people offering any of the political sound-bite type solutions that have to be used if we are going to solve this problem, which I would put in the category of the political wing of the Democratic Party that we have heard from this morning.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, in Illinois, and I would say in Iowa, in North Dakota, in Connecticut, in Nevada—you pick the town, you pick the spot on Main Street, and you pick the first person walking by and ask them the following question: Is it a good thing for America that good-paying jobs are now going overseas, that businesses are outsourcing their jobs to foreign countries and taking jobs away from Americans?

You pick it, and I will stand by the results of that informal poll anywhere in America. You know the answer.

True or false: Is it good or bad for American companies to be eliminating jobs in the United States and outsourcing them overseas? That is what is before us. That is the question.

If you think the answer is obvious, it is not obvious to the President, nor to his economic advisers because the President's economic adviser, Mr. Mankiw, reported to Congress on his behalf a few weeks ago that it was, indeed, a good thing we are now outsourcing jobs to other countries.

I am sure you are saying: I expect to hear that from DURBIN because he sits on the other side of the aisle, and he is bound to misrepresent what the President's Council of Economic Advisers says to Congress, so allow me to read:

One facet of increased service trade is the increased use of offshore outsourcing in

which a company relocates labor intensive service industry functions to another country.

He goes on to say:

The basic economic forces behind the transactions are the same, however, when a good or service is produced more cheaply abroad, it makes more sense to import it than to make or provide it domestically.

The commonsense answer to the question about whether American jobs outsourced overseas are good for America that you are going to get on the streets in any city of America is not the same conclusion reached by the Bush administration in their economic report.

What was the reaction on Capitol Hill to Mr. Mankiw's statement that outsourcing jobs to foreign producers would be a good thing?

The Republican leaders, including the Republican Speaker of the House, ran from this report like a scalded cat. They disavowed it and said he was wrong. He put out 2 or 3 days' worth of corrections about it.

But the bottom line is, if you look at what has happened in America, Senator DODD's amendment addresses the reality. More and more service jobs—good-paying service jobs—are going overseas.

In my apartment in Chicago Saturday afternoon at 4 o'clock, the phone rings. It happened to me twice, two different Saturdays. I do not know why 4 o'clock is the right time, but maybe as I tell the story you will understand why it is.

Mr. DURBIN?

Yes.

This is Nancy. I wanted to call and tell you that your Discover card is on the way.

Nancy, I didn't order a Discover card.

Well, we are going to send you one anyway.

Nancy, where are you calling from?

And Nancy says to me: I'm calling from Delaware.

Really, what city in Delaware, Nancy?

Pause.

I said New Delhi.

She said: No, Bangalore.

She was calling from India. She honestly acknowledged that, as did a caller a few weeks later. So major credit card companies, such as Visa and Discover, are starting to use callers in India and other countries in Asia to call into the United States. Those are jobs lost in America.

I visited India 2 weeks ago. I ran into a delightful woman in New Delhi who said she had a Ph.D. in mathematics, and she was working for an American brokerage company, Fidelity. I know Fidelity. I do business there. She handles their information technology in India. Is this good? Is it good for us to lose computer programmers, software engineers, good-paying high-tech jobs to India and China? I don't think it is such a good thing. But, frankly, the President's economic adviser says it is a healthy thing.

Senator DODD comes in and with a very modest amendment says: Perhaps when it comes to our own Government work, we should draw the line on whether or not the Federal Government will give money to an entity which turns around and outsources jobs overseas. He makes exceptions. Senator DODD, in his amendment, says if it is necessary for national security, then we will waive it, or if the service to be performed is not capable of being performed in the United States, we will waive it. I believe there is also a waiver if the country where the jobs are going to be placed allows the United States to contract for services there so there is some reciprocity.

This is an extremely reasonable and sensible amendment. But if you will listen to my colleagues on the Republican side of the aisle, they are scared to death of this amendment. They do not want to vote on it. In their heart of hearts, they obviously agree with Mr. Mankiw. They think the outsourcing of jobs overseas is a healthy thing. I do not. But I would defy any of my colleagues to go home to Main Street—you pick the town—and defend it. Say to the people that the 4,000 jobs that leave IBM and go to India is a good thing for America. I don't believe it is.

Senator DODD has made a modest proposal that says let's stop the bleeding. Let's start talking about jobs in America. Let's try to go beyond the obvious, and that is this economy is in recession and struggling to recover, and start talking about focusing on jobs in America.

I voted for free trade. I believe in trade. I believe globalization is as inevitable as gravity. It is happening. It is going to happen. But I continue to be concerned that when it comes to these trade agreements, the first thing our negotiators do, after we pass them into law, is to wave the white flag and say: We surrender; come take advantage of the United States. And people do.

It has happened to us time and again. It has happened to us in the manufacturing of durable goods. Steel is a good illustration. Japan, Brazil, and Russia dumped steel in the United States for years and ran companies out of business. It cost thousands of steelworker jobs. And the Clinton administration at that time sadly did little or nothing about it. The Bush administration imposed a tariff for a short time and recently removed it.

Frankly, our steel industry is, once again, not only weak but vulnerable because we are not taking a tough position in enforcing the trade agreements for which we voted.

I am for expanding trade but under rules that will be enforced so when people engage in unfair trade practices against the United States, we stand up immediately for the workers and businesses that are disadvantaged.

Look at the situation in China. My friend and colleague, Senator SCHUMER of New York, is coming forward with a bill, which I support, and I know the

Presiding Officer is involved in it as well, which says the Chinese currency valuation gives them a 15- to 40-percent advantage over American manufacturers. What does it mean?

Companies in China are running American manufacturers out of business because they manipulate their currency. That is an unfair trade practice, and they are killing us with it.

They now enjoy a huge surplus of trade with the United States. The Senator from North Dakota said there was over \$100 billion in Chinese trade surplus with the United States?

Mr. DORGAN. One hundred thirty billion dollars.

Mr. DURBIN. One hundred thirty billion dollars. Let me give a footnote to this conversation. Ten percent of all of the Chinese exports to the United States, \$13 billion worth of Chinese goods, go to one company in the United States: Wal-Mart. So when a person goes into Wal-Mart and they see "made in China," do not be surprised. This is no longer a U.S.-flag-waving company. This is a company which sells Chinese goods that are cheap because they manipulate currency to the disadvantage of American producers.

Senator DODD makes a proposal. He says when it comes to spending Government money, taxpayer money, we are going to ask a question: If someone is receiving this money, are they going to create jobs in the United States with it or jobs overseas? If they are going to create jobs overseas, no thanks, unless they meet one of the exceptions: National security, Presidential waiver, that sort of thing.

I say to the Senator from Connecticut, I will take this proposition to any town in Illinois, and I know what the answer is going to be. They are going to say to me: Senator, it is my taxpayer dollars, and it is not unreasonable for you to say that American workers should be employed with those dollars. That, I think, is a reasonable approach.

What did the Republican side and the administration come back with? Picture this: They have an amendment which says—and Senator DODD can correct me if I do not represent this correctly—that the Secretary of Commerce, Mr. EVANS, a member of the President's Cabinet, will have the power to certify whether such an amendment, as Senator DODD's amendment, will harm the American economy. If he so certifies that it "will harm the American economy," it will not go into effect.

Frankly, the amendment does not even say when he makes the certification. So the amendment guts the Dodd proposal. The President's Cabinet will certify exactly what they told us. They believe in outsourcing. They think it is healthy to have outsourcing of jobs overseas. So do my colleagues expect the President and the Secretary of the Commerce to defy his economic advisers? No way. They are going to say that the Dodd amendment is a bad

thing, that it keeps jobs in America that should be going overseas where the companies would have to pay a lot less for the same services and goods.

I want to vote on the Dodd amendment. I want to defeat this attempt to give the Secretary of Commerce the power to gut it. I want to vote on it. I want my colleagues on both sides of the aisle to stand up and be counted, and I want them to go home and explain their vote. If they think it is unreasonable, as the Senator from Connecticut suggests, that taxpayer dollars be spent to encourage American jobs in America, I think they are going to find that the reception at home is not very positive. We have lost too many jobs in America, more jobs under this administration than any President since Herbert Hoover. I do not think that is a positive thing. I think it is a negative thing.

Senator DODD makes a small but valiant and important effort to make certain that our jobs in America and our workers have a fighting chance, and I stand in support of his amendment.

Mr. DODD. If my colleague will yield, I want to thank my colleague from Illinois for his eloquent comments. He made an opening comment and proposed that we go to any Main Street anywhere in the country and ask the simple question: Should your tax dollars be used to subsidize the exportation of an American job? To equate the outsourcing of a person's job with that of a service or a product—as if somehow someone losing a job and knowing what that means, that that individual and their family will have an inability to have the kind of health care coverage, if they had it, that they need, and it is going to be difficult to find another job, we now know—and I am sure my colleague can comment on this—that that person who loses their job as a result of outsourcing and then seeks another job, except for two States, in Nebraska and Nevada, the salaries or wages they are getting are on average some 25-percent less than the job they lost.

What we are asking to do is what any self-respecting government would do, and that is to stand up and defend people's jobs in this country. I think the question the Senator posed is an excellent one. I would point out, the Senator has the amendment correct.

I find the second-degree amendment rather amusing. It says the administration—none of this language will go into effect unless the Secretary of Commerce certifies that there is some harm occurring to the economy. So if he never certifies anything, this entire amendment falls. It is kind of a phony amendment when talking about what to do.

I appreciate immensely the Senator's comments. I wonder if he might share some additional thoughts on just what happens when people look for second jobs and how difficult that is.

Mr. DURBIN. I say to the Senator from Connecticut, we have trade adjustment assistance, which was enacted years ago, which says if a person loses their manufacturing job, a job that produces goods, to trade overseas, they will have an extra advantage in that we provide unemployment benefits and give an opportunity for retraining.

We are in a new world now, and the new world includes not just losing jobs producing goods but jobs involving services, and trade adjustment assistance does not apply. So the 4,000 computer programmers at IBM who gave their jobs to India and China cannot qualify for trade adjustment assistance. The Senator from Connecticut is right; they then get into fierce competition for the limited jobs available in America.

I have met with the men and women who are in the ranks of the unemployed, and they are finding it extremely difficult to find any job that pays nearly what they made before. The first casualty of unemployment is their health insurance, and then, of course, their home and their savings. All of these things are casualties as Congress not only is insensitive to this loss of jobs overseas, this outsourcing of jobs, but even fails to include unemployment insurance for these workers.

I say to the Senator from Connecticut—I will yield the floor because I see another colleague—if the election in November is a referendum on this report as to whether or not it is healthy for America to see jobs outsourced and sent overseas, bring it on.

If my colleagues think they can rationalize the sending of these jobs overseas because Mr. Mankiw and President Bush's Council of Economic Advisers happen to have some theoretical model behind them, they ought to take these wonderful Wall Street models to Main Street in America.

I hope before the end of the day we will count noses in the Senate on the Dodd amendment. Let us find out how many people buy the Mankiw vision of the world and how many people buy the reality of this world.

Mr. DODD. I thank my colleague from Illinois very much.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I have listened to my colleagues from Illinois and Connecticut discuss this issue. It is interesting to me that the amendment that is offered by the Senator from Connecticut is portrayed by some as some very substantial, potentially devastating piece of public policy that could bring down the roof and undermine this economy. It is, of course, nothing of the sort. It is a relatively modest amendment, as a matter of fact.

My colleague from Illinois, Senator DURBIN, said he wants a vote on it. I want a vote on this amendment. They can second-degree it until the cows

come home, but in the end we will get a vote on this amendment. If we have this kind of bill on the Senate floor, we have a right to vote on this amendment.

The central question that is asked by my colleague from Connecticut is this: Should tax dollars be used to send jobs overseas? I am going to have this followed up with another amendment asking, should we provide tax breaks to send jobs overseas?

My colleague, Senator DODD, says—and I agree with him wholeheartedly—we ought not to have the American people pay tax dollars into our Government and then have various functions of Government decide where we are going to do the essential functions that we have to perform and then make a decision: let's do them in Bangladesh; let's do them in Indonesia; let's do them in India. That is not something we want to have happen with the dollars the American taxpayers pay into their Government. Senator DODD says let's stop that, with some exemptions and some exceptions.

It makes good sense to me. It is absolutely the right thing to do.

I am going to offer an amendment which I will describe briefly. Senator DODD talks about the use of tax dollars. Let me describe my amendment, which is the use of tax breaks. If one is an American company doing business in this country and they decide they want to set up a wholly owned foreign subsidiary and they move their American jobs to this foreign subsidiary, make the same product and then ship the product back into this marketplace, they lose what is called tax deferral.

We actually now provide a tax benefit if you do that. We say if you do—shut down your American plant, produce the same product overseas and ship it back into this country—we will give you a tax break. You don't have to repatriate your income. You don't have to pay taxes on that income.

So here are two companies. Both produce garage door openers, both are located in the same American city. One moves to Asia. Guess what. The one that moves has a tax advantage over the one that stayed. I am going to offer an amendment that shuts that down for products that are shipped back into this marketplace by companies that move their American jobs overseas. We ought not provide a tax break for that. That is another amendment we will vote on.

Again, when we bring this bill to the floor, which is a tax bill, we have every right to offer these amendments and expect we will vote on them.

The second degree that has been offered just moments ago represents a desire to prevent a vote on the amendment. Certification—this is an opportunity for an escape hatch, to allow governments, in this case in the Dodd amendment, to keep doing what they have done in some cases, and that is to outsource jobs overseas.

This obviously plays right to the question of the larger issue. Senator DURBIN said we have globalized. Indeed we have. Globalization has moved very quickly, very rapidly. I don't suggest we can in some way bring it back. This economy is now a global economy.

What I do suggest is this: The rules for this global economy have not kept pace with the pace of globalization. We fought for 100 years over some very important issues. Should workers have a right to organize? Should they have the right to expect they are working in a safe workplace? Should they have a right to expect someone is not going to hire 12-year-olds to engage in labor that will be undercutting workers in this country? Do they have a right to expect they are not working in a plant that is dumping chemicals into the air and the water?

We fought for 100 years over these issues and resolved them. Now, if a company, or a government can pole-vault over all of those issues and say: You know something, let's just do our business in Bangladesh or Indonesia or India; we don't have to worry about all that; we can hire 12-year-olds and work them 12 hours a day 7 days a week and pay them 12 cents an hour and ship the product to Fargo or Los Angeles or Chicago, in my judgment there has to be some basic admission price to the American economy, to the marketplace in this country. The rules of trade have not kept pace with globalization, and that is what is at the foundation of this great debate of ours about moving jobs overseas.

I understand why people move jobs overseas, why corporations move jobs overseas, why some governments do. I don't like it. I want to stop it. But I understand why they do it.

It is about money. Huffy bicycles is the best example I know. They were 20 percent of the American marketplace. You could buy them at Sears, K-Mart, Wal-Mart. Huffy bicycles were made by proud people in this country making \$11 an hour in plants in Ohio. They used to have between the handlebars and the fender a little decal that was the American flag.

Now that is gone. The last job performed in Ohio by the workers at the Huffy bicycle plant was to take that decal off and replace it with a decal of the globe. The American flag is gone, the globe is there. Why? Because Huffy bicycle is now made in China. Not for \$11 an hour. Those folks lost their jobs in Ohio because they were too expensive. Those jobs don't exist here anymore. Those workers were fired. Now Huffy bicycles are made in China by people working 12 to 14 hours a day, 7 days a week for 33 cents an hour. They come to this country, not with an American flag on the front but with a picture of the globe. In my judgment, this is an appropriate way to describe what has happened here.

Huffy bicycles, if they had human qualities, would have to have citizenship, and they would be American. But

somehow they decided they didn't want to be American anymore; they wanted to be Chinese. But they want to be sold in America because there is no marketplace quite like this on the face of the Earth.

This is a big issue. This is a really big issue and a set of big questions with which this Congress needs to grapple. We grapple with part of it in the context of international trade agreements. We have a mess. We have the biggest trade deficit in the history of humankind. This is not about Republicans or Democrats; it is about bad trade agreements for long periods of time that undercut the productive capability of this country to decimate our manufacturing base. The reason I care about that is no country will long remain a world economic power without a good manufacturing base.

Just one piece of this the Senator from Connecticut attempts to deal with is the increasing likelihood, these days, of companies such as EarthLink—they announced: We are moving our outsourcing overseas. Our servicing is gone. We are going overseas. Companies such as IBM: We are going to outsource and do our servicing overseas. And we also know that governments in some cases have done the same thing.

The Senator from Connecticut takes that small piece and says let's stop that. Let's at least stop that as we work on the rest of it. If we can't do this, we are not serious about any of this. Don't come ever to the floor of the Senate and talk about jobs if you are not willing to do this.

I don't know of one politician who has ever lost his or her job because they were outsourced—not one. For that matter, no economists have ever lost their job because they were outsourced. It is not necessarily the case they would recognize it if it happened, but no politicians or economists have lost their jobs because they were outsourced. If that were to happen, you would hear a different mantra coming out of economists. If that were happening, what you would have is this Chamber full of people wanting to speak in support not just of this amendment but of the bigger bites that are necessary to fix what is wrong with our strategy with respect to trade and the outsourcing of American jobs.

Senator DURBIN indicated that the President's chief economic adviser said to us: This is good. Outsourcing is good. I am assuming this comes from the doctrine of comparative advantage, the old Ricardo strategy of saying you do what you do best, then trade with someone who does what they do best, and that is the way the world works best.

Of course, Ricardo has been long dead and he described a world that doesn't exist. He described trade between countries, not corporations. What is happening is the comparative advantage, as a doctrine, is not any longer comparative advantage with respect to nat-

ural resources. It is a comparative advantage with respect to politics, and the politics is this: If you happen to be in a country in which your government says, "Oh, by the way, if you try to organize as a worker you are fired or you are put in prison," that is a political decision by a country that says we won't allow people to organize.

It is a political decision for a country to say we don't care about pollution; we are going to pollute the air and the water. It is a political decision for a government to decide we are going to hire 12-year-old kids in our plants, and we are going to let them work 12 hours a day and pay them 12 cents an hour. That is not the doctrine of comparative advantage Ricardo described. These are political issues and governments decide the conditions of production in their country.

Then we have economists who somehow say: Gosh, Ricardo described this comparative advantage, so why shouldn't we access lower cost labor? A country that pollutes the air and hires kids and puts them in unsafe plants and pays them pennies an hour? That doesn't need an answer. We all understand the answer to that question. That should not continue.

I am going to conclude because I am going in a broader discussion than Senator DODD's amendment. But my point is this: If we can't even do this small piece, how on Earth can we deal with the broader issues? I held a hearing recently about some young women who were working in manufacturing plants in Honduras.

They were actually making clothing for Puff Daddy, whose name, I believe, now is P. Diddy. I get confused now sometimes when people change their names, but Puff Daddy changed to P. Diddy. Apparently, he has a clothing line and that clothing is made in some plant in Honduras.

A couple of young women in that plant came to talk to us about the conditions in that plant. It was exactly as you would expect. There were circumstances where they had no capability to affect their destiny. You are put in that plant; you work in that plant; and if you try to organize, you are fired; you are out. The conditions were terribly unsatisfactory. Since that hearing, I understand that there have been improvements in the Honduras factory I described. But that is just one factory out of many. Conditions there are bleak.

Is that what we want? Is that really the global economy that advantages the American people? Or jobs that move from here to there and then we say but that is all right because, if you have young kids producing this product being paid 20 cents an hour, think of how cheap it is going to be for us on the shelf.

I am sorry, with what income will the Americans who lost their jobs purchase those products? With what income will they purchase those products when their jobs are gone?

One of the interesting things about this U.S. economic engine is that it is the only economic engine on Earth that is as strong. But like every engine, it requires some maintenance. What we have is people hanging around who don't want to maintain this engine.

Jobs are at the root of success in this country. There is no social program that is as important as a good job that pays well—none. Jobs are important.

When we have the Chairman of the Council of Economic Advisers—the President's chief economist—saying it is just fine that jobs go overseas, it is fine and you don't understand, that it will all work out—John Manard Keynes said: In the long run we are all dead. If it all works out, 100 years from now—as we struggle through and this all works out—I guess none of us will experience that.

I am right now very interested in making sure that the rules of trade keep pace with the pace of globalization. They have not. It is our job to bring them to present day policies and to debate them and discuss them. That is what Senator DODD is doing with one small piece.

Should your tax dollar pay for sending jobs overseas through government contracts? The answer is, of course, not. Are you kidding. This isn't rocket science. I suggest that my colleagues go to Main Street someplace and ask the question, Is it good that your manufacturing plants in your town should be required to compete and your workers should be required to compete with someone in Shrilanka where they are going to be paid pennies and they do not conform to environmental laws and fire people if they try to organize workers? We know the answer to that. This doesn't take a lot of depth in thought.

This amendment is a first. Senator MIKULSKI and I have one that deals directly on taxation. We are anxious to offer it. I suspect we will not be able to do that until after the budget debate on the floor. This is the first step of addressing the question about jobs. Anybody who dismisses this question of jobs fundamentally misunderstands the role of jobs in this economy. It is the enabler that enables everything else to happen. It enables people to provide for their families and to do the other things.

One final point, if I might: I have mentioned this before, but I think it bears repeating. It is just one example of so many towns, so many workers, and so many manufacturing plants. When those folks came home from their plant one night and said to their spouse and to their children, "I lost my job today," that is a hard thing to do. The family wonders if they weren't good workers. Was there something wrong with what dad or mom did while they worked during the day? Couldn't they keep up?

It wasn't that at all. They have to come home and say, "I lost my job

today," not because I was making \$11 an hour trying to provide for my family but that someone else was willing to work for 33 cents an hour, and that job has now gone 10,000 miles from here. The rules don't exist by which we describe whether there is fair trade, whether that is fair for this country and why that is in this country's interest.

When the chief economic adviser to the President says this movement of jobs overseas is really a good thing because in the long run it all works out, I say no, it is not a good thing if you lost your job. I think if economists and politicians lost a few jobs from outsourcing they might understand that a bit.

I will vote for the Dodd amendment. I want to cosponsor the amendment. I am just one voice, but I hope Senator DODD will say it as well. If they try to second-degree this to death thinking that somehow they will avoid a vote on the underlying amendment, as long as this bill is on the Senate floor, this is coming back and back and back. We deserve a vote on the underlying amendment. Let us find out where people stand. Stand up and vote on this rather than try to vote on some diversionary second-degree amendment.

I know my colleague is waiting for the floor. I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, I simply, first, wanted to thank my colleague from North Dakota, and to stand in support of everything he has said. Tomorrow, our friend from North Dakota will be chairing an important hearing. I will have two individuals from Michigan from a small town called Greenville. I appreciate the fact that we have someone who will be sharing their story tomorrow.

But just to reinforce what they said, this is a town of 9,000 people in rural west Michigan. They make refrigerators. They make Frigidaire refrigerators, and they work for Electrolux. Of the 9,000 people in town, 2,700 people work making refrigerators. They have added a third shift. They make a profit. Electrolux indicated that they make a profit in the United States. But they decided they could make a bigger profit if they moved to Mexico and paid \$2.50 an hour with no health benefits. So that is what they have decided to do.

We see a community now that is losing 2,700 jobs. When you count the businesses in the surrounding area that are affected, it is 8,000 jobs.

I agree with the Senator's conclusion. I said to the folks at Electrolux: At \$2.50 an hour with no health benefits, who is going to afford to buy your refrigerators making \$2.50 an hour?

Mr. DORGAN. As the Senator from Michigan indicated, at 10 o'clock tomorrow morning the Democratic Policy Committee is going to hold a hearing on the outsourcing of jobs to other countries. I appreciate that the Sen-

ator from Michigan will be there and will be a significant part of that with constituents from Michigan.

It occurred to me as the Senator talked about refrigerators, the next time you go to eat at a Mexican restaurant, remember that Fig Newtons are now made in Mexico. Why? They used to be made in the United States. But Fig Newtons jobs have left and gone to Mexico. Why? Lower wages, I am guessing. Levis, Fruit of the Loom underwear, you name it. We could have a hearing that would last for years if we wanted to talk to the people who had good jobs in this country but whose jobs are now gone because even Fig Newtons went to Mexico.

I am anxious for the hearing tomorrow, and I appreciate the Senator from Michigan mentioning it.

Ms. STABENOW. Mr. President, I support the amendment of the Senator from Connecticut. I think it is the least we can do on this issue. We need to set an example. If we can't as a Federal Government set an example for our own country through our own contracts and our own outsourcing policies, then how can we ask others to do the same thing?

As I indicated, we have one community losing 2,700 jobs to Mexico. We lost more jobs last year than any other State. We have lost over 167,000 jobs in Michigan in the last 3 years. As I look at the paper every day—literally I can go to papers throughout Michigan, from the Upper Peninsula to Detroit to west Michigan to southern Michigan—there will be stories of plant closings, of job outsourcing or exporting of jobs, and layoffs.

This is the most critical issue facing the people of our country. Therefore, it needs to be the most serious issue facing us in the Senate. We need to spend whatever time is necessary, take whatever actions are necessary and put in place a set of policies that stops the exporting of jobs, that creates a level playing field for our businesses and our workers. If we give them a level playing field, they will compete and they will win. But we don't have that now.

We don't have that when it comes to the issue of manipulating currency, which China and Japan are doing. When it costs a Michigan business up to a 40-percent tax to sell into China, and when Chinese products come back and are sold at artificially lower prices, and our government doesn't do anything about it when we could, there is something wrong.

Why does China do that? They want us to move the plants to China. They want to make it as difficult as possible to sell goods in China because they want the plants there. We don't want the plants there. We want to be able to take advantage of smart trade policies and sell goods and services to China, Mexico, Japan, and all around the world. That is what trade is all about, and that is how we make it positive for us. But right now we have a situation where instead of having smart trade

policies, instead of addressing those issues to create a level playing field, we are seeing a set of policies that actually encourages a race to the bottom by saying to folks in Greenville, MI: The only way we are going to stay here is if you make \$2.50 an hour with no health benefits.

What does that say for the future of our country? What does that say, if any business could say that? The Federal Government could say that. We will not have a middle class and we will not have middle-income families. We will not have what has made us great as a country in terms of opportunity and small business growth, if we don't stop this.

That is why I am very pleased to be supporting the amendment of the Senator from Connecticut. We need to lead by example, and that is what this amendment does. It says while we are asking that businesses in the private sector change policies, and we are asking others not to export, we ought not to be exporting jobs either. We need policies that will stop that and invest in our own workers and in our own people.

I hope that rather than secondary amendments and other possibilities of slowing this amendment down or killing this amendment, we would be joining together—all 100 Members—in saying we do not support the report of the President's Council of Economic Advisers. We do not support Mr. Mankiw's comments that exporting jobs is good for our families, for our businesses. We reject that.

We come together saying the Federal Government needs to lead by example. If we do the right thing and put the right incentives in place, we can then turn to others and ask them to do the same thing. This is about jobs. It is about the future of our country and our quality of life. I hope we will join in supporting the Dodd amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SMITH). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DODD. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I thank my colleague from Michigan for her support of this amendment and also commend her for her comments and her eloquent testimony about the 2,700 people in the small town of western Michigan of 9,000 people who are about to watch the economic vitality and livelihood of their community move on.

This has gone on, of course, across the country and is one of the problems we face every single day, too often in too many communities across our Nation. One of the aspects is the outsourcing that is going on.

Again, we can offer tax incentives to try to discourage people from making those decisions, but in the final analysis they can reject the tax incentive and decide they will outsource jobs.

We are saying with this amendment—and I appreciate the Senator's strong endorsement—you may be able to do that with your own money, but the question is, Should you be able to do it with taxpayers' money? We don't think so.

We have created all sorts of waivers and exceptions for national security. If there is no other source that would allow this work to be done except by outsourcing, I have made provisions throughout the amendment where the head of an agency—it does not require the President of the United States—can check the box. I assume someone will say this will undercut our national security because we outsource a lot of jobs in the defense contract area. Just check the box. If the Joint Strike Fighter is in trouble, check the box.

I don't want you to begin the day by saying it does not make any difference if I outsource. It does make a difference. That is what my colleague from Michigan is saying. It makes a difference. If there is a reason and rationale for purposes of national security, or because you cannot get the product anywhere else other than through outsourcing, we accept that.

We are not being difficult about this but at least draw that conclusion, not just the bottom line conclusion, that I can make a bigger profit off it because I outsource the job.

I am deeply grateful to the Senator for her comments about the underlying motivations.

I can offer incentives and disincentives which someone can take or not take, but when it comes to the taxpayers' dime, the money the taxpayers, out of their hard-earned dollars, send to this city to support various activities, the fact we are using taxpayer money to ship someone's job overseas, that I object to. I don't think that is an outrageous request at a time when we are watching the acceleration of outsourcing going on day after day after day. That is what my colleague and I object to.

I have been on the floor with my amendment for 24 hours and all I want is a vote. If you think outsourcing is a good thing, and many people do; the administration clearly does—their month-old economic report, which the Senator from Illinois again referenced a few minutes ago; I talked about it yesterday; here it is; it is not my comments, not the comments of the Senator from Michigan; this is their authority in which they conclude that outsourcing of jobs is good for the economy—then vote against my amendment.

I am not trying to be difficult. If I am defeated, I am defeated. I have offered amendments and lost before. I am not shocked when I bring up an amendment and lose, but if you think I am on the right track, vote for it. But vote.

Ms. STABENOW. Will the Senator yield?

Mr. DODD. I am happy to yield.

Ms. STABENOW. Would the Senator agree on its face that it would appear

his amendment is about whether folks support that report and if, in fact, they believe, as the Senator said, that exporting jobs is a good idea, folks can vote against your amendment. This is really a time to stand up and say yes or no.

Mr. DODD. That is exactly the case.

Let me address the amendment offered by the Senator from Kentucky, Mr. McCONNELL, and some comments made at the time of the introduction of that amendment which are worthy of note.

First, my friend from Kentucky went on and recited the 6 million jobs that exist in this country where people work for foreign corporations that are located in the United States and he went down each State and identified the jobs. About 90 or 95 percent of those corporations come from the 27 or 28 nations that are exempted under this amendment.

My friend from New Hampshire talked about a large employer in New Hampshire from the United Kingdom. The United Kingdom is not covered by this amendment. Someone else talked about Japan. Japan is not covered by this amendment. As a result of an inquiry made by my friend from Montana to make sure we exempted those countries with which we have joint procurement policies under the World Trade Organization, the language of this amendment excludes those nations.

The idea somehow that these jobs in America will be in jeopardy is not based on any fact whatever. I will be happy to list them for my colleagues: Austria, Belgium, Canada, Denmark, European Community, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Korea, Liechtenstein, the Netherlands, Aruba, Norway, Portugal, Singapore, Spain, Sweden, Spain, Switzerland, and the United Kingdom. There may be others. That is about 90 to 95 percent, as best we can tell, of the so-called jobs that might be in jeopardy.

I suggest if we cannot have equal access to government procurement in various other countries, then we do have a problem. Of those countries where there is not a level playing field, for those that are for fair and free trade, as I listened to my colleague from Iowa talk about it earlier, the United States cannot compete for government procurement contracts in India. We cannot compete in China. We cannot compete in those other countries. If they are willing to say we can compete for their government procurement contracts, this Senator has a different point of view. But we are being told we cannot do it. Do not tell me that is fair or free trade. It is not—by any estimation.

I will not take a backseat to anyone when it comes to trading policies. I supported many. I believe that is where we must be if we will succeed in the 21st century.

I have waivers in here on national security. I understand there is

outsourcing that goes on when national security issues are involved.

I have written a specific provision, just check the box. You tell me this will jeopardize national security, the Secretary of Defense checks the box. That is it. You can go ahead and outsource.

I am not trying to make it difficult for anyone. I don't want to make it more bureaucratic. But when I hear the Pentagon talk about bureaucracy and I look at some of the requirements for even purchasing a personal computer, 38 pages, the idea is there of making a determination that something is in the national security interests and therefore you do not have to do it.

Let me offer to my colleague from Kentucky an alternative to his amendment which, if he is willing to accept, I am willing to take. I want to get answers out of these issues.

Instead of his amendment as it reads, virtually nothing has to happen, and nothing happens with this bill because he says the title of this amendment shall take effect 30 days after the Secretary of Commerce certifies that the provisions of this title will not result in the loss of more jobs or be harmful to the U.S. economy. If the Secretary never certifies then, of course, none of the provisions go into law. This amendment, if adopted, would virtually gut everything we have tried to talk about over these last 24 hours. That amendment is unacceptable.

If you are willing to say the initial certification shall be made by the Secretary of Commerce no later than 30 days after the enactment of this act, then I am willing to consider that because that requires an affirmative action for saying that outsourcing is what we want to continue doing.

I do not like amending my amendment with this kind of a provision. But if you want to go that route, I am willing to listen, even though the Secretary of Commerce is the President's campaign manager and so forth, and the administration is already on record saying they think it is a good thing.

I am willing to admit there are many good people who think outsourcing is a good thing. I am not disparaging people who believe that. All I am saying is, there are a lot of us who do not think we ought to be promoting it with U.S. taxpayer money. For those of us who do not think it is a great idea—I suspect a lot of our fellow Americans agree with that conclusion—we would like to vote up or down. If you think it is a bad idea, as apparently the Senator from Kentucky does and the Senator from New Hampshire—and I respect them immensely—then, very simply, vote against the amendment and shoot it down. Then we will move on to the next subject matter.

But to clutter it up with amendments, suggesting somehow that you agree with what I am suggesting, or at least implicitly do, because you are not challenging the underlying amendment but, rather, offering something that, if

adopted, would make it impossible—unless the Secretary of Commerce decided to change political parties and contradict his President and decided he was going to certify something—this amendment requires nothing, no action on his part at all and, thus, obviously the entire provision dealing with outsourcing would fall.

It is kind of a cute way of not having to vote on my amendment but, in effect, killing it with the adoption of the second-degree amendment.

So I have sent over, through staff, some alternative language which I am asking them to consider as a way, instead, of wrapping this up. As I say, I was prepared to vote on this at 4:30 yesterday afternoon, or at 5:30, whenever people wanted to, but there is obviously another game going on. There is the old New England expression: I was born at night but not last night.

I think I understand the game. We are not going to deal with this issue. We are not going to vote on this, or at least we are going to try to avoid voting on it through every possible maneuver. I regret that, but I guess that is the way things are. I think it is unfortunate. I think we should be speaking. The American people care about this issue. They care about trade. I think most people believe trade is in the best interest of the United States. I agree with them on that.

I also think it is in our interest not to squander our human capital. I think we need to do everything possible to see to it that we are in a position to continue to defend ourselves by trying to do what we can to preserve the jobs that are necessary and the underlying industries for which they work so we will have the capacity to be able to build the infrastructures that we need both for our domestic products as well as our national security structure.

I have 5,400 small manufacturers in my State. They are worried they are going to be cut out because there is always a better deal someplace else. I think the short-term quarterly analysis that fails to take into consideration the long-term implications for our country are dangerous. That is one Senator's point of view. That is one of the reasons I offered this amendment, again, not because I am a protectionist, an isolationist—my 24 years here deny that kind of a label categorically—but because I honestly believe this is something we better address now. If we do not, I think we will look back and deeply regret that we did not.

Let me stop. I know the Senator from Arizona has some thoughts he would like to share. I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, first, I would like to begin my remarks with my respect and appreciation for the knowledge and expertise that the Senator from Connecticut has on foreign policy and national security issues. I believe he is unequalled or he has few peers in this body as to his knowledge

and experience on foreign policy issues. For many years, the Senator and I have worked together on issues that are of importance to our Nation as far as the conduct of policy and national security is concerned. I have the highest regard and respect for him.

I hope I can work with the Senator from Connecticut to remove some unintended consequences of the Dodd amendment; that is, the Dodd amendment as it relates to defense/national security.

The Senator from Connecticut knows, as well or better than I do, the interrelationships of the North Atlantic Treaty Organization, the commonality of equipment, the fact that many times we build an aircraft, the F-16, a country buys it, and a lot of that aircraft is built in the country that purchases it. That is part of the deal that goes on. For example, significant parts of the F-16 aircraft that are bought by European countries are constructed there. That is also true with a broad array of defense equipment.

The Senator from Connecticut is also aware there is a huge imbalance as far as the purchasing of military equipment. In other words, our European friends—and I will freely admit, because they do not spend the money on research and development that the United States does, the United States builds superior equipment—buy a tremendous amount—by a factor of 15 or 20 in dollars—of U.S. equipment versus equipment that the United States buys from our European allies. We build the best defense equipment there is. We continue to maintain that lead, and we are all proud of it.

What I worry about, in the Dodd amendment, is that this would upset the relationship I just described.

Second, there are many times, many occasions when our troops overseas, our ships overseas, our deployments have to purchase from the local economy equipment, food, supplies, whatever it is.

So I could not certify that it is a national security requirement when the USS *Enterprise* pulls into a port and has to buy some equipment or machinery from the local economy which is manufactured there but fits their needs because there is a tremendous amount of interoperability amongst ourselves and our European allies.

I am sure the Senator from Connecticut is well aware of everything I am saying, and I do not mean to insult his intelligence by saying so.

What I am trying to do—look, straight talk. I do not support the amendment offered by the Senator from Connecticut. But what I would hope we could do is work out some language which would ensure, one, that at no time would our military be prevented from purchasing goods, services, or equipment on a needed basis, and, second, to preserve the relationship we have amongst our allies as far as the purchase of defense equipment is concerned, maintaining interoperability,

and, very frankly, the jobs which are the object of his amendment, the jobs which are maintained in the United States of America because of the production of a great deal of defense equipment which is bought by other nations.

Now, the reason why I say that is important is because, if we do not allow the purchase of foreign-manufactured defense equipment, then sooner or later they will retaliate by not purchasing ours. That could have significant effect.

I have a rather interesting letter from Mr. Wynne, who is the Acting Under Secretary of Defense, saying “this provision”—talking about the Dodd amendment—“would impact our ability to sustain our troops stationed overseas and the refueling and restocking of our naval vessels as they carry out their missions. Often times, the support of these activities comes from foreign sources. . . .” It goes on.

I know my friend from Connecticut does not want to impair this. It is clearly not the object of his amendment. So I have an amendment which would make clear that there are exemptions for national security.

Perhaps better than forcing a vote on it, perhaps the Senator from Connecticut and I can work out an agreement to amend his amendment or change the language of his amendment so it does meet these concerns, which I know he shares. If not, then I would be proposing an amendment, after the McConnell amendment is disposed of, to try to ensure that.

I am talking now about national defense and national security. I have concerns about the impact of the Dodd amendment which has been debated ad nauseam. But I hope we can work out an agreement at least on the national security/national defense side of this issue.

Mr. President, I yield the floor.

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I commend my distinguished colleague from Arizona, Senator MCCAIN, who has been working on an amendment with me, and I will be his principal cosponsor on the amendment.

Senator MCCAIN and I and other members of the Armed Services Committee, in the course of last year's authorization bill, had extensive deliberations on the core issue with regard to how such legislation, as proposed by the distinguished Senator from Connecticut, would impair our ability to work with so many of our allies on defense contracts, and the high dependence today that we have on that working relationship between a number of individual allies.

For example, the Joint Strike Fighter, which is to hopefully be the plane that will be utilized in the cause of fighting freedom by so many nations that are working on it, nine different nations are on that particular contract. Great Britain has already put down \$2 billion toward that contract. At some point, I will put in the RECORD a printed letter written by the Ambassador of Great Britain in the context of the debate we had on last year's authorization bill, which is directly apropos of the matter before us.

Furthermore, I am going to hand to the Senator from Arizona a letter that arrived from the Under Secretary of Defense.

Mr. MCCAIN. Will the Senator yield for a question?

Mr. WARNER. Yes.

Mr. MCCAIN. The distinguished chairman of the Armed Services Committee, as he mentioned, and I worked hard last year, with the President and Secretary of Defense, to exclude some very onerous "buy American" measures. It took an entire year before the authorizing bill was passed, which is always very unfortunate. I want to ask the distinguished chairman about another aspect of this.

Last time I checked, we have allied forces in Bosnia, Kosovo, Afghanistan, and Iraq from as many as 30 countries who have contributed troops to our efforts in all of those countries, including the fact that a number of those allied countries have sacrificed the lives of their young soldiers in the cause of freedom, particularly in Afghanistan and Iraq.

Mr. WARNER. The Senator is correct, Mr. President.

Mr. MCCAIN. In fact, in Afghanistan we have a significantly expanded NATO operation. I say this with the greatest respect to our friend from Connecticut, Senator DODD. My question is—suppose we tell the government of a tiny country that lost soldiers in Iraq that we want your young men and women there, and we want them to be ready to sacrifice and die but, by the way, we are not going to buy anything from you. If you produce something that is a quality product, we are not going to buy it from you because we are going to protect American jobs in the United States of America.

My question to the distinguished chairman is, What effect does that have on their willingness and desire to help us bring peace and freedom to the people of Bosnia, Kosovo, Afghanistan, and Iraq?

Mr. WARNER. Mr. President, my distinguished colleague, a distinguished military professional in his own right, knows the answer full well. It was given to us this morning by General Jones, the NATO commander. The Senator was sitting next to me. It was given to us by General Abizaid, Director of Central Command, which has jurisdiction over Afghanistan and Iraq. They are fighting in both of those areas with coalition forces—again,

troops being lost, life and limb—of nations that would be affected by this amendment as presently drawn.

I just observed where the distinguished Senator from Connecticut and yourself had a colloquy, which I followed off the floor. I think you are making progress toward the amendment that the Senator has, to which I have affixed my cosponsorship, which will resolve this problem. But it is important that we come to the floor—the Senator from Arizona and myself, and perhaps others—to alert colleagues. You have men and women in the Armed Forces from each of your States engaged in the very conflicts that the Senator from Arizona has recounted.

Mr. MCCAIN. I have one more question. The Senator and I, both in our declining years, have spent a lot of time traveling around the world. One of the things that took me a long time to appreciate is the effect of what we do in the world. It is astonishing—

Mr. WARNER. Right here in the Senate on this floor, Mr. President.

Mr. MCCAIN. Yes. We have passed sense-of-the-Senate resolutions that neither you nor I have paid any attention to, and all of a sudden it is headlines in the country it has affected.

My question to the Senator from Virginia is this: All of those countries that have contributed troops—Bosnia, Kosovo, Afghanistan, and Iraq—they see a headline tomorrow that says the Congress of the United States bars purchase of any military equipment from the manufacturers in these countries. How do you think that affects an already fragile public opinion in these countries?

Mr. WARNER. Mr. President, the Senator is quite observant in his long experience. It is a very negative effect. I also bring to the Senator's attention that we heard this morning that we are thinking of reducing some of our very large bases in Europe and putting a smaller U.S. presence in a number of countries—I mean, actually going in, spending MILCON, and putting our troops in more forward positions in this most uncertain war on terrorism. So it affects that, as well as the ability of that country to engage with us in military alliances.

Mr. MCCAIN. I thank the Senator.

Mr. WARNER. Mr. President, I rise in opposition to the Dodd amendment and support of the McCain second degree amendment. The Dodd amendment would prohibit any portion of work covered under a Federal contract for goods or services from being performed at locations outside the United States. This will do incalculable damage to our national security, undermine our relationship with our allies, and violate many of our trade agreements with respect to defense procurement. The Dodd amendment will spark a trade war in aerospace and defense trade—one of the few remaining areas that the United States has a manufacturing trade surplus. It will lead to the destruction of the U.S. aerospace indus-

try and the loss of thousands of jobs that will migrate overseas.

How can I be so sure of the impact of this legislation? It is because, last year, the Senate Armed Services Committee fought off on a bipartisan basis similar legislation from the House of Representatives. For 6 months, this issue was debated in the National Defense Authorization Conference. In the end, we narrowly averted a national catastrophe that would have put every soldier, sailor, airman and Marine in harms way. This legislation, like the legislation from the House on last year's defense bill, marks a return to the days of Smoot-Hawley and the Buy American Act of 1933, which were passed at the height of the depression and extended the misery for so many Americans during that decade.

The Dodd legislation would significantly change the Defense Department's industrial base policy and have a devastating effect on the health of the U.S. aerospace industry. The Dodd amendment, if passed, would erase decades of procurement reforms designed to integrate the civilian and military industrial bases that support DOD, destroy our global aviation trade surplus, increase program costs, and substantially delay the transformation our forces.

One might ask how would such a well meaning amendment do such harm? First, one has to understand what has happened in the defense market in the last 15 years. After the first Gulf War, it was realized that DOD no longer dominated many of the most dynamic industries such as the computer and telecommunications industries. To maintain and transform the force, DOD needed to tap into this commercial market, but none of these industries wanted to sell to DOD because of the extraordinary red tape involved with Government contracting. The Clinton administration and the Congress passed far-reaching acquisition reform measures to allow DOD to tap into the commercial marketplace. The Dodd amendment places this progress in jeopardy.

Under the Dodd amendment, the Defense Department would no longer realize the efficiencies of using commercial buying practices, as many commercial companies with a relatively small portion of their business base devoted to defense would stop selling to the Defense Department. Why? Because commercial companies will be required to identify every microchip, every part, all of its raw materials to ensure that they were produced in the United States. As was the case before the 1994 and 1996 acquisition reforms very few commercial companies will want to do this.

As a result, the Defense Department will have to pay more for its products and will not have access to the most advanced electronics and information technologies from the commercial marketplace. Every weapon system in the U.S. inventory uses information technologies and electronics systems no

longer being made in the United States. DOD will have to recreate a DOD specific supply chain with contractors that only support the Defense Department at a cost of hundreds of billions of dollars.

To conform with the Dodd amendment, the Defense Department would need to require companies to comply with a substantial data gathering exercise, merely for the right to bid on a program. It is likely that DOD would have to impose burdensome compliance and certification requirements which would expose bidders to significant liabilities, even in cases where a contract is awarded to another bidder. A commercial contractor who may do less than 1 percent of its business with the DOD is not going to expend this kind of effort for so little return.

To comply with the Dodd amendment, defense and nondefense business segments would have to be separated, slowing the development of next-generation war fighting systems and increasing program costs. For example, the aircraft engine business supports both civilian and military requirements and is only competitive because of the economies of scale inherent in producing for both markets. To conform with this language, U.S. engine manufactures would have to establish two sources of supply and two different production lines—one for the military and one for the civilian marketplace. Military and civilian engines costs would skyrocket and, most likely, the commercial engine market will be lost to overseas competitors because it will be cheaper to buy European engines. Thus, these jobs will be “off-shored,” something that the authors of this legislation are trying to prevent.

The international considerations of the Dodd amendment are immense. This isolationist, go-it-alone approach will have serious consequences on our relationship with our allies. Currently, our allies purchase over 26 percent of their defense needs from the United States compared to less than 1 percent that the United States buys from our allies. We don't need protectionist measures to protect our aerospace industry. However, if we pass this legislation, our allies will retaliate and the ability to sell U.S. equipment as a means to greater interoperability with NATO and non-NATO allies would be seriously undercut. Critical international programs, such as the Joint Strike Fighter and missile defense, would likely be terminated as our allies reassess our defense cooperative trading relationship.

As a result, U.S. aerospace trade and the jobs and benefits that it brings to the U.S. economy will be jeopardized. Aerospace exports 40 percent of its products. In 2002, the U.S. aerospace industry delivered a \$30 billion export surplus, the largest of any sector of the U.S. economy.

What will the Dodd amendment mean for the budget? The cost of defense programs would skyrocket putting even

greater pressure on domestic programs. Since companies would have to separate their defense and commercial businesses, overhead and program costs will increase. Because the number of companies willing to sell to the Government would also decrease, there would be less competition, less innovation, and fewer new technologies in defense products. With international programs jeopardized, there would be little or no cost-sharing by our allies such as the \$4 billion invested by our allies in the Joint Strike Fighter program, further adding to the costs that the U.S. taxpayer will have to bear.

Overall program cost increases would force a scaling back of procurement and R&D programs. Operational costs would rise as older legacy systems would remain in use for longer periods. The safety of our men and women in the Armed Forces will be put at risk with this older equipment.

Defense transformation and the acquisition of new technologies would be drastically slowed or curtailed. The electronics and information technology building blocks would no longer be available from American commercial sources for our weapon systems. This would disrupt existing programs such as the *Virginia* class submarine, the Future Combat System and the F-22. An inefficient technology base serving only defense will have to be constituted at great expense in funding and time. The long-term result would be less equipment and technology in the hands of our warfighters.

Finally, the aerospace and defense industry competes with other industry sectors for investment based on a number of economic factors such as projected rate of return. The investment community would likely be concerned about investing in an industry that would be cut off from commercial sources of advanced technology, forcibly disengaged from the global marketplace and forced to rely on a single customer's requirements.

Now the supporters of this amendment will state that they have provided for a national security exemption. Unfortunately, this exemption is unworkable as it needs to be made at either the Presidential or the Secretary of defense level for each contract. The Department of Defense has over 500,000 contracts and many more individual task orders on these contracts. This is an impossible and unnecessary waiver to implement.

Mr. President, again, supporters will also state that the requirements of the Dodd amendment do not apply to procurement covered by the WTO's agreement on Government procurement. That is helpful for the rest of Government, but most defense contracts are not covered by the WTO, World Trade Organization. DOD has separate trade agreements that cover defense cooperation. These include so-called memorandums of understanding with 21 of our closest allies, additional agreements with Canada, and seven declarations of

principal countries, over 60 acquisition and cross-servicing agreements, and additional provisions in NAFTA and those that apply to the Caribbean Basin countries. All of these agreements would be overridden by the proposed Dodd amendment.

The sponsors of the amendment have tried to limit the damage by only applying those restrictions to “new” contracts. This would be of limited help, for example, on the Joint Strike Fighter. In essence, the sponsors would welcome foreign nations' participation and money on the current development contract, but these nations would not be allowed to participate on any follow-on production contract. Under these conditions, the Joint Strike Fighter partner countries will leave the program and JSF will be terminated. It is simply that. And we desperately need it in this country. We may have to foot the entire bill of the JSF out of our own military budget if this type of legislation were to pass.

So my conclusion is that this amendment is not in the best interest of the security efforts of our Nation. It would jeopardize, as the Senator from Arizona has said, the efforts of our men and women in the Armed Forces as they work, fighting along with coalition partners in many parts of the world. So I strongly join with Senator McCain on the second-degree amendment to exempt DOD contracts from the restrictions contained in the Dodd amendment.

I urge the support of my colleagues. Please contact your own defense contractors if there is any doubt in your mind. You each have them.

Mr. President, at this point, I yield the floor.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, we are at a stage where we are hoping to get some action on some amendments. This is an extremely important bill. This bill will provide a very significant break to all companies manufacturing products in America. It is about a 9-percent deduction on the costs of manufacturing products in States. That translates to about a 3-percentage point reduction in their income tax returns. To a corporation paying the top rate of 35 percent, that means they are going to have a tax rate on that production of 32 percent. It is a very important bill.

There are lots of different ideas about how this bill can be improved. We have already adopted an amendment by the Senator from Utah, Mr. HATCH, cosponsored by myself. In fact, this is a bill that Senator HATCH and I have introduced for many years. It will increase the research and development tax credit for at least 18 months and also modify it in a way to make it more attractive to more companies.

We all know the real pursuit is how do we get more jobs in America, how do we create more jobs in America, how do we keep those jobs in America, and

how do we train people who lose jobs in America.

We are a wonderful and wealthy country. We are very lucky to be Americans. People from all over the world want to live in America. I will not say they all do but there are certainly an awful lot of people who want to live in the United States. That is why we have so many immigrants coming to our country.

We do not see very many people heading for the door. Not very many people living in America want to go live in other countries. There is a real reason for that. I think the basic reason is because we are a country of great opportunity. We are a country of great mobility. We are a country where a person can pretty much do what he or she wants to do.

Sure, there are some limitations that some people face, depending upon where they are born or where they grew up in America, but still, compared with any other country in the world, there are opportunities in the United States of America that are just wonderful. We are incredibly lucky to be Americans.

We are now faced with a question, though, of jobs and job loss in America, particularly manufacturing job loss, and even some service industry job loss. We have lost close to 3 million jobs in the last several years. Those are manufacturing jobs. Those are good-paying jobs.

It is also true that virtually every other country in the world is losing jobs, too. We are not the only country that is losing manufacturing jobs. I will not be callous about it, but those are problems that those countries face, and we wish them very well. We wish more people in the world had better incomes; that people who are not the most wealthy would be doing pretty well by themselves. But our goal is here in the United States. How are we going to get more job creation in the United States? How are we going to get more job retention in the United States? How are we going to retrain people? There is no silver bullet, no panacea, no magic answers that are going to solve this problem.

There are lots of reasons why we are facing this, if we are totally honest with ourselves, and clearly we must be if we are going to solve it. One reason, frankly, is just the dramatic increase, to use a fancy word the economists use, in productivity in the last several years. That is, with ingenuity and with research and development and technology improvements, companies are able now to produce more widgets, more products, more cars, whatever it is, with fewer people. It is easier, then, for that company to sell products and make money, but unfortunately a by-product of that is it is with fewer people, fewer jobs, so people are laid off. It is a huge problem. It is not only the shock of a person who loses his job, it is lost benefits, lost wages.

But some of this is due to productivity increases. It is a fact. We just

have to recognize it. But having recognized it doesn't mean we should look the other way. It means we should find some other way to deal with it.

The job displacement that has occurred in America over the last several years has happened all over the world, in all developed countries, not just the United States. It is because of the general nature of economies moving a little more to services compared with manufacturing. Service industry jobs just don't pay as much.

This movement to services—it is like health care services. It is professional services. It is doctors, lawyers, accountants. They are all great professions, and they are services. But by and large, service jobs don't pay quite as much as manufacturing jobs. Again, that is a worldwide phenomenon.

I might say, too, one of the reasons for job loss is foreign competition. It is true in many countries that because of the lower wages it is cheaper to make a product than it is in the United States. There is no doubt about that. Benefits are a lot lower in other countries. There is no doubt about that either. It is true, American companies, as the case with companies in other countries, have to be competitive. They have to be competitive; otherwise, they go out of business.

Having said that, there are other reasons, too, for the phenomenon we are facing. We have to find answers and, as I said, honest answers, not just glib answers.

Frankly, I believe we have to focus on three major areas and be very positive. One is, How do we create new jobs. I would put a lot more effort into research and development than we now do. We should have more basic research in universities and companies than we now have. We have to figure out ways to develop new products. This is a bit corny and a bit dramatic, but it wasn't too many years ago—in the year 1900 nobody even dreamed of automobiles or airplanes. Yet somebody developed an automobile, somebody developed an airplane, and lately it is the Internet, it is broadband, it is fiber optics, it is a lot of new technologies nobody knew about.

A lot of that is because of the dollars devoted to research and development. It is ingenuity and opportunity. Persons knew if they spent time developing those products they could sell them in the United States and overseas and they could make a go of it. They could make something happen. Just think of the joy of maybe inventing something and making it work and selling it. That is one way. We have to figure out ways to create new jobs.

Another way is we have to keep the jobs we have. That is complex. Part of it is the much more vigorous enforcement of our trade laws. I have said it before and I will say it again: we hear of all these call centers going to India, Bangalore, other places in India. You pick up a telephone and try to order something, a credit card company or

something, and find the call center is in India or someplace else. But we don't hear of American companies selling products to India. You don't hear of sales to India. Why is that? It is because India is a closed country. It is a very closed country. It is very hard for United States business people to sell their goods and their services and their products to India because India is a closed country.

They also pirate intellectual property. Billions of dollars of intellectual property created by Americans is pirated by people overseas. Various countries either do not have intellectual property legislation or they don't enforce it. It is very difficult. So a way to keep jobs in America is to be much more vigorous as we enforce our trade laws, and this country is not enforcing our trade laws. We are not opening up markets overseas the way we should. It is more *laissez faire*, let things happen. If some country wants to close its market, fine. That is basically the attitude of this administration as I see it. I have spent a lot of years in trade policy and I cannot remember a time when an administration was so *laissez faire*, so "who cares" when it comes to whether a country opens up its market to American products.

India is a good example. China is another example. There are so many examples. Rather, what does this administration do? I am not being critical here; I am just calling it as I see it. I am being objective in how I see this administration's trade policy to be operating.

Still, we reach trade agreements with minuscule economies: Bahrain, Morocco. Those are wonderful countries. But why are we spending the limited resources we have in the United States Trade Representative Office reaching free trade agreements with countries that would have virtually no or very little commercial value to the United States? Why? Because it is easy.

We should be taking the extra effort and going to countries, as I mentioned earlier, that are closed and have huge potential markets. We sell to India, a country of 1 billion people, half of what we Americans sell to Switzerland, a country of 7 million people.

Wait a minute. I know the per-capita income in India is lower than it is in Switzerland, but not that much lower, not by such huge orders of magnitude. One way to keep jobs, again, is to enforce our trade laws.

We have to tackle health care costs in the United States, which are much higher than they are in other countries. There are lots of efforts we could undertake.

I will now focus on one aspect of this bill I think is very important. I think most Members of the Senate agree with me. It is further reason why we should move expeditiously and bring up amendments so we can pass this legislation. We will be doing a great disservice to the people of our country if we don't quickly pass this legislation.

Already the World Trade Organization penalties levied on the United States amount to 5 percent of the \$4 billion the WTO has said can be levied against the United States now because the United States has not repealed certain legislation which is the underlying part of this bill. WTO said that is illegal so we have to repeal a lot of it. That is \$4 billion in penalties levied against the United States products we are trying to export to Europe. That is \$200 million in this month alone, March, and there is going to be a 1-percent increase in each of the succeeding months. Why in the world aren't we passing legislation so we don't have to pay those penalties, so we don't have to penalize American companies, and therefore penalize American workers?

One way to send jobs overseas is to not pass this bill. Every day we don't pass this bill means additional costs of doing business in America on products manufactured in America and exported to Europe. If we repeal this penalty, then that cost to American businesspeople will be much less, and that would help them keep producing and keep their employees.

In drafting this bill which provides for a 9-percent deduction on domestic manufacturing, we believed it made good sense for that 9-percent deduction to apply not just to C corporations—that is the standard garden variety corporation—but also to virtually every other company in the United States, small partnerships, proprietorships, passthrough entities, and smaller companies that do not pay a corporate income tax.

I would like to show a couple of charts to give us a little sense of how U.S. companies organize themselves and why that is important to this legislation.

As this chart to my left demonstrates, about a quarter of American companies are C corporations. The other three-quarters of American companies are partnerships, sole proprietorships, somebody in business for themselves. Another entity called S corporations essentially means that the owners of the corporation are liable themselves and pay taxes themselves on the income of the organization.

About one-quarter are corporations. They are the big guys.

Going to the next chart, I point out that 99 percent of U.S. firms are actually small businesses. If you look at all the companies in America and you organize them according to whether they are a big or a small business, 99 percent are small businesses. By small business, we mean 500 or fewer employees. Virtually every company in the U.S. is not a big corporation but, rather, a small business.

That is important because the legislation we were repealing gives a tax break only to big C corporations. We believed that if we repealed that—and we have to repeal it because WTO says we must—we must be sure we replace it with something much more broad-

based. So not only the larger C corporations but the other, smaller, American companies also get the benefit of the provisions of this bill.

I mentioned earlier that about a quarter of American companies are large companies, so-called C corporations. They have a lot of people working for them. About half of the employees in America work for small business; about half work for big business. It is an interesting statistic. Ninety-nine percent of all companies are small businesses. Still a full half of all employees in America work for small businesses.

Why do I say that? Because basically most new jobs are created by small business.

This chart shows that. Small businesses create jobs much more than big businesses. Even though half of all employees are in the category of small business, still three-quarters of the new jobs—this is a historical fact over the years with small business. Small business is more flexible; they can move more quickly; they see more opportunity right away; they can hire more, whereas big business takes time with all the decisions that have to be made going through all the various levels of hierarchy. But small business is where the job creation is.

That is relevant because if you look at private sector jobs in America, you will see the United States since 1994 has had a huge creation of jobs, until the year roughly 2000. Since the year 2000, about 3 million jobs have been lost in America. That is a net figure. That is not gross.

I mentioned earlier that half of those are small businesses. I mentioned earlier that job creation is generally through small business, not big business.

I also mentioned before, to repeat myself, this bill says: OK. We don't care whether you are a big or small business; you can still get that 9-percent deduction.

That is why I think this is a very good bill. I say that in part because there are other versions of this legislation in Washington that do not extend the same treatment to small business but essentially only to larger businesses.

I hope when we move on this bill and pass it and take it to the next stages that we keep in mind the importance of small business and keep in mind that we must retain the small business provisions in this bill.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant journal clerk proceeded to call the roll.

Mr. THOMAS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. MURKOWSKI). Without objection, it is so ordered.

Mr. THOMAS. On behalf of the leader, I ask unanimous consent that Sen-

ator DODD be recognized to modify his amendment; provided further that the McConnell second-degree amendment be modified further with the changes that are at the desk, and it then be agreed to; provided further that I be recognized in order to call up a further second-degree amendment on behalf of Senator MCCAIN, and that following the reporting of the amendment it be agreed to.

I further ask consent that the time until 4 today be equally divided for debate; that at 4 the Senate proceed to a vote on the adoption of the Dodd amendment, as amended, without further intervening action or debate.

Mr. REID. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, a lot of work has gone into this arrangement that we are now going to approve shortly. Everyone is to be commended. Senator DODD spent the last 24 hours or more on this floor. Senator BAUCUS has been very patient, waiting to have this bill move forward. He and Senator GRASSLEY feel so strongly about and I think the majority of the Senate feel strongly about this.

I don't mean to burden the acting majority leader but I do want to say very simply, we have tried to be as upfront as we can be with what we want to accomplish with this most important legislation. We have an amendment that we want to get to. We agreed on the Dodd amendment to take 1 hour evenly divided. We understand the next amendment to be the amendment offered by the Senator from Kentucky and the Senator from Michigan, Senators BUNNING and STABENOW. Senator STABENOW—it was her amendment and it has not changed at all; it is just who has their name on it first—was willing to take an hour evenly divided. We could finish this vote at 4:20, go to that, finish at 5:20, and go to our next amendment in order, which, as everyone knows, is the overtime amendment which the Democratic leader will offer for Senator HARKIN, or Senator HARKIN will offer for himself.

I don't understand why so much effort is being made to avoid a vote on that amendment. We have been told on the Bunning amendment what will happen. Rather than filling the tree with amendments that are good and will improve this legislation, tax extenders and things of that nature, there is going to be an amendment offered by the majority to fill the tree so there can be no amendments offered, or, in fact, the Harkin amendment could be offered to speed this up.

I think we need to get this matter finished. We, on our side, believe this is very important legislation. Yes, we want to talk about outsourcing, and we have done that. Yes, we want to talk about overtime. We have not been able to have a vote on that because of the parliamentary barriers thrown up by the majority.

I hope we can get past that, move on, and get this most important legislation passed. I have no objection.

The PRESIDING OFFICER. Without objection.

The Senator from Connecticut.

AMENDMENT NO. 2660, AS MODIFIED

Mr. DODD. I send a modification to the Dodd amendment to the desk and ask it be so modified.

The PRESIDING OFFICER. The amendment is modified.

The amendment (No. 2660), as modified, is as follows:

At the end of the bill, add the following:

TITLE V—PROTECTION OF UNITED STATES WORKERS FROM COMPETITION OF FOREIGN WORKFORCES

SEC. 501. LIMITATIONS ON OFF-SHORE PERFORMANCE OF CONTRACTS.

(a) LIMITATIONS.—

(1) IN GENERAL.—The Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.) is amended by adding at the end the following new section:

“SEC. 42. LIMITATIONS ON OFF-SHORE PERFORMANCE OF CONTRACTS.

“(a) CONVERSIONS TO CONTRACTOR PERFORMANCE OF FEDERAL ACTIVITIES.—An activity or function of an executive agency that is converted to contractor performance under Office of Management and Budget Circular A-76 may not be performed by the contractor or any subcontractor at a location outside the United States except to the extent that such activity or function was previously performed by Federal Government employees outside the United States.

“(b) OTHER FEDERAL CONTRACTS.—(1) A contract that is entered into by the head of an executive agency may not be performed outside the United States except to meet a requirement of the executive agency for the contract to be performed specifically at a location outside the United States.

“(2) The prohibition in paragraph (1) does not apply in the case of a contract of an executive agency if—

“(A) the President determines in writing that it is necessary in the national security interests of the United States for the contract to be performed outside the United States; or

“(B) the head of such executive agency makes a determination and reports such determination on a timely basis to the Director of the Office of Management and Budget that—

“(i) the property or services needed by the executive agency are available only by means of performance of the contract outside the United States; and

“(ii) no property or services available by means of performance of the contract inside the United States would satisfy the executive agency's need.

“(3) Paragraph (1) does not apply to the performance of a contract outside the United States under the exception provided in subsection (a).

“(c) STATE CONTRACTS.—(1) Except as provided in paragraph (2), funds appropriated for financial assistance for a State may not be disbursed to or for such State during a fiscal year unless the chief executive of that State has transmitted to the Administrator for Federal Procurement Policy, not later than April 1 of the preceding fiscal year, a written certification that none of such funds will be expended for the performance outside the United States of contracts entered into by such State.

“(2) The prohibition on disbursement of funds to or for a State under paragraph (1) does not apply with respect to the perform-

ance of a State contract outside the United States if—

“(A) the chief executive of such State—

“(i) determines that the property or services needed by the State are available only by means of performance of the contract outside the United States and no property or services available by means of performance of the contract inside the United States would satisfy the State's need; and

“(ii) transmits a notification of such determination to the head of the executive agency of the United States that administers the authority under which such funds are disbursed to or for the State; and

“(B) the head of the executive agency receiving the notification of such determination—

“(i) confirms that the facts warrant the determination;

“(ii) approves the determination; and

“(iii) transmits a notification of the approval of the determination to the Director of the Office of Management and Budget.

“(3) In this subsection, the term ‘State’ means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

“(d) subsections (b) and (c) shall not apply to procurement covered by the WTO Government Procurement Agreement.

“(e) RESPONSIBILITIES OF OMB.—The Director of the Office of Management and Budget shall—

“(1) maintain—

“(A) the waivers granted under subsection (b)(2), together with the determinations and certifications on which such waivers were based; and

“(B) the notifications received under subsection (c)(2)(B)(iii); and

“(2) submit to Congress promptly after the end of each quarter of each fiscal year a report that sets forth—

“(A) the waivers that were granted under subsection (b)(2) during such quarter; and

“(B) the notifications that were received under subsection (c)(2)(B)(iii) during such quarter.

“(f) ANNUAL GAO REVIEW.—The Comptroller General shall—

“(1) review, each fiscal year, the waivers granted during such fiscal year under subsection (b)(2) and the disbursements of funds authorized pursuant to the exceptions in subsections (c)(2) and (e) and

“(2) promptly after the end of such fiscal year, transmit to Congress a report containing a list of the contracts covered by such waivers and exception together with a brief description of the performance of each such contract to the maximum extent feasible outside the United States.”.

(2) CLERICAL AMENDMENT.—The table of sections in section 1(b) of such Act is amended by adding at the end the following new item:

“Sec. 42. Limitations on off-shore performance of contracts.”.

(b) INAPPLICABILITY TO STATES DURING FIRST TWO FISCAL YEARS.—Section 42(c) of the Office of Federal Procurement Policy Act (as added by subsection (a)) shall not apply to disbursements of funds to a State during the fiscal year in which this Act is enacted and the next fiscal year.

SEC. 502. REPEAL OF SUPERSEDED LAW.

Section 647 of the Transportation, Treasury, and Independent Agencies Appropriations Act, 2004 (division F of Public Law 108-199) is amended by striking subsection (e).

SEC. 503. EFFECTIVE DATE AND APPLICABILITY.

This title and the amendments made by this title shall take effect 30 days after the

date of the enactment of this Act and, subject to subsection (b) of section 501, shall apply with respect to new contracts entered into on or after such date.

AMENDMENT NO. 2680, AS MODIFIED, TO

AMENDMENT NO. 2660

The PRESIDING OFFICER. Under the previous order, the McConnell second-degree amendment is modified with the changes at the desk, and it is agreed to.

The amendment (No. 2680), as modified, was agreed to, as follows:

On page 7, strike lines 10 through 14 and insert the following:

(a) This title and the amendments made by this title shall take effect 30 days after the Secretary of Commerce certifies that the amendments made by this title will not result in the loss of more jobs than it will protect and will not cause harm to the U.S. economy. The initial certification shall be made by the Secretary of Commerce no later than 90 (ninety) days after the enactment of this Act. Such certification must be renewed on or before January 1 of each year in order for the amendments made by this title to be in effect for that year.

(b) Consistency with International Agreements. The provisions of this title shall not apply to the extent that they may be inconsistent with obligations under international agreements. Within 90 days of this legislation, OMB, in consultation with the office of the USTR, shall develop guidelines for the implementation of this provision.

The PRESIDING OFFICER. The Senator from Wyoming.

AMENDMENT NO. 2685 TO AMENDMENT NO. 2660, AS MODIFIED AND AMENDED

Mr. THOMAS. I send an amendment to the desk on behalf of Senator McCain.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wyoming [Mr. THOMAS], for Mr. McCain, for himself and Mr. WARNER, proposes an amendment numbered 2685 to amendment No. 2660, as modified and amended.

The amendment is as follows:

(Purpose: To protect United States workers from competition of foreign workforces for performance of Federal and State contracts)

On page 5, insert after line 16 the following:

(e) NATIONAL SECURITY EXEMPTION.—Subsection (b) shall not apply to any procurement for national security purposes entered into by:

(1) the Department of Defense or any agency or entity thereof;

(2) the Department of the Army, the Department of the Navy, the Department of the Air Force, or any agency or entity of any of the military departments;

(3) the Department of Homeland Security;

(4) the Department of Energy or any agency or entity thereof, with respect to the national security programs of that Department; or

(5) any element of the intelligence community.

The PRESIDING OFFICER. Under the order, the amendment is agreed to.

The amendment (No. 2685) was agreed to.

Mr. DODD. Madam President, what is the order now?

Mr. THOMAS. The time will be equally divided now, as I understand.

Mr. DODD. How much time do we have?

Mr. THOMAS. Until 4 o'clock.

The PRESIDING OFFICER. The time is evenly divided until 4 o'clock.

Mr. DODD. Let me take a couple of minutes and, first, explain what has transpired in the last number of seconds. It is rather a quick action on a number of hours of discussion.

First, let me thank Senator MCCAIN and Senator MCCONNELL for their willingness to work on some language. I thank the leader, Senator DASCHLE. Senator BAUCUS, of course, has worked tirelessly, and Senator GRASSLEY, the chairman of the Finance Committee, and many others have been involved in their comments.

This is a significant breakthrough occurring with the adoption, I hope we will have now, of my amendment. It says you should not be using Federal taxpayer money to subsidize the outsourcing of jobs.

The McCain amendment is something we fundamentally agreed to in the underlying amendment, but it reinforces the notion that certainly, when national security issues are involved and there is a conclusion that we, in effect, have a waiver or have an exception with that being involved, certainly we are not suggesting there should not be the outsourcing of a job if national security is in jeopardy. That was not the intention. The adoption of the McCain amendment reinforces that idea. We incorporated it anyway.

I am grateful to Senator MCCAIN and Senator WARNER who talked about that issue. There was no disagreement, even with the initial proposal I made on that issue. So we accept. It strengthens the issue for those who were concerned this may have been a vulnerability. We welcome that addition.

The language with Senator MCCONNELL, which we worked on as well, invites the Secretary of Commerce, within 90 days of the passage of the legislation, to certify that in fact there are no job losses in the country occurring as a result of outsourcing.

So we look forward to their involvement in furthering discussion.

But we have for the first time established at least one principle and that is we believe, generally speaking with some exceptions, we ought not, with Federal taxpayer money, be subsidizing the outsourcing of jobs that could be done here at home. This is a significant accomplishment if it is adopted in the coming minutes before the conclusion of this debate.

I welcome the participation of all. I think all of us are concerned. We read about a continuing flow, accelerated flow of jobs going offshore, particularly nations that do not recognize our right to compete for government procurement. We exempted 28 countries with which we have reciprocal arrangements. So when the argument was made earlier in the day by one of our colleagues that this amendment was somehow going to jeopardize American

jobs in the United States for people who are working for foreign corporations located here, the fact is, most of those foreign corporations, the overwhelming majority of them, come from the 28 countries, many of which are among the European nations and Pacific rim countries, to the exclusion of Japan, with which we have reciprocal arrangements on procurement. So those nations were excluded.

We are focusing our attention on where some of the major outsourcing is going where you don't have those kinds of protections, where the level playing field does not exist in our country for our ability to compete for jobs.

For those of us who support fair and free trade, we want those options to exist. They don't today in too many places. This legislation is designed to try to address part of that.

There are other issues we need to talk about, but this is one significant piece, we think, of that puzzle. With that in mind, I am happy to yield the floor and listen to others who may want to discuss this before we actually vote on the Dodd amendment in a few minutes.

But I, again, thank all of those involved who made it possible for us to achieve what I think is a good result and one that will invite further involvement. Needless to say, in the months ahead if we find out there has been a lot more erosion in this area, we may have other ideas to address this issue, but for the time being we think this is a major step forward.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Madam President, let me say, first, I am pleased we are able to move forward. We are working on a bill that has to do with trade, one in which we are under the pressure from the WTO to get finished in a certain length of time or it is going to be very expensive. So I am glad we are moving forward. I thank the Senator from Connecticut for working to find an agreement to get this moving forward.

We all care about lost jobs. Certainly the administration cares deeply about jobs, despite some of the remarks that have been made on the floor. Losing a job is painful. It is an awful experience. Jobs are the foundation of the American dream. Jobs give people dignity and the hope of a better tomorrow.

It is true jobs are how people provide for their families and for their children, for education, and the well-being of their loved ones. This President cares deeply about jobs.

Economic growth is, of course, the answer. The question is, How do we create more jobs? The answer is clear. We need a growing economy. A growing and expanding economy is the key to more jobs. That is why the President's tax cuts are so important. They have made the American economy much stronger. The economy is now growing and expanding. We have had a GDP growth rate of 8.2 in the third quarter of last year, 4.1 in the fourth quarter, and 3.1 for 2003.

Job training and job skills are key. We are living in a dynamic economy, and that is good. It creates higher wages and higher standards of living. But it also requires us to make sure people have the opportunity to learn new skills and upgrade existing skills.

The key to a good job is training and skill. The President is focused on that. He understands the linkage between job training, job skills, and jobs of the future. That is why he has proposed his jobs for the 21st century initiative and focused so much attention on community colleges and education in general, because training and skill development are the pathway to jobs in the future.

That is also why the President supported the expansion of the Trade Adjustment Assistance in 2002; the trade act tripled the levels of before.

Americans can compete with anyone when we have a level playing field. Despite what some of our critics are saying, economic isolation is not the answer. Only 5 percent of the global population lives in the U.S. That means that 95 percent of our potential market is outside the U.S.

We need to stay engaged with the rest of the world. We need those markets opened to our farmers, our service industry and our manufacturers. We have the best workforce in the world, the most innovative businesses and the most competitive companies. We can compete with anybody when markets are opened and we have a level playing field. In the service industry alone, more than 108 million Americans have good-paying jobs. The service industry's share of GDP has grown to about 64 percent. The service sector employs 80 percent of Americans, and, over the past two decades, has added almost 40 million employees across the full range of services. On average, these service jobs pay wages on par with those in the manufacturing sector, and wages for service jobs have increased at a faster rate than wages for manufacturing jobs. Many of those services are exported. We have a big services trade surplus. We sell to the world our movies, our music, our software, the products of our architects and our engineers, our consulting services, our insurance products, our teachers and trainers, and our telecommunications services.

We will only grow our economy by expanding the opportunities of our world-class service workers to sell their services to the world. We must say "no" to economic isolation.

What goes around comes around. We should be concerned about retaliation. Foreign investors employed 6.4 million Americans in 2001, including one in eight U.S. manufacturing workers. Thousands of auto workers in Ohio and South Carolina, or financial services workers in New York or California, or the guy repairing your car at the BP Amoco station, have jobs that depend on our market being open to foreign investors. Most of these workers earn considerably above the average U.S.

manufacturing wage. We need to be deeply concerned about those Americans who lose a job, any job. But if our answer is to put up walls around America, we run the risk that tens of millions of Americans will be hurt.

We are moving forward by strengthening this amendment and strengthening this bill. It is one that we need to finish. We need to understand there is a movement of billions of dollars a day around this world. Sometimes it is difficult, but it is the way it is. We can compete. We have the most effective economy in the world. We have the most efficient workers in the world.

I am pleased we can now go forward and get on with this task that is before us so we can begin to do the things we need to do in terms of fair trade.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

ASBESTOS LITIGATION

Mr. INHOFE. Madam President, I applaud the Senator from Wyoming for recognizing what we need to do for jobs in this country. That is the very thing that turns this economy around.

I say to my good friend from Connecticut that it was not a Republican idea; it was a Democratic idea when John Kennedy said the way to increase revenues is to reduce marginal tax rates. That works. That is what is happening now. With this President having inherited a recession which started back in March of 2000, we are now pulling out of it, and we are going to see a dramatic improvement.

I have been listening to this talk on job loss and sending jobs overseas. I know my colleagues, Senators HATCH and BOND have spoken about the impact of asbestos litigation on our economy and the need to pass S. 1125 this year.

I want to reiterate the enormous loss of jobs our country will suffer and the impact on economic growth if something is not done to resolve this problem.

I also want to note a press release from the EPA that says on February 25, several members of Topor Contracting, a demolition and asbestos abatement business in Buffalo, NY, along with the owner of Payco, a pre-demolition asbestos firm in New York, pled guilty to State charges after their firms were involved in the demolition of two buildings in Buffalo, NY. They were charged with falsely stating that asbestos had been removed from the work area.

If asbestos is not removed before demolition begins, those working in the area are susceptible to asbestos exposure. We know, when inhaled, asbestos can cause such fatal illnesses as lung cancer and mesothelioma.

In another, related civil case, the owners of Topor and Payco were permanently barred from conducting asbestos abatement work in New York State.

The New York Area Office of EPA's Criminal Investigation Division, the

State of New York and the FBI are appropriately investigating this case.

This example shows that asbestos can be controlled appropriately under reasonable law and legal procedures—making excessive lawsuits all the more outrageous.

The U.S. Supreme Court has called asbestos litigation an “elephantine mass . . . that defies customary judicial administration and calls for national legislation.”

Senior U.S. District Judge Jack Weinstein has cautioned:

If the acceleration of asbestos lawsuits continues unaddressed, it is not impossible that every company with even a remote connection to asbestos may be driven into bankruptcy.

Many newspapers and publications have also commented on this crisis and its affects.

The Hartford Courant has said:

Congress must not let this opportunity pass. The alternative is more chaos, in which additional companies are driven into bankruptcy, thousands of workers lose their jobs and those who suffer from asbestos-related illnesses often wait many years for payments.

Georgia Pacific is a company headquartered in Atlanta, and is one of the world's leading manufacturers of tissue, packaging, paper, building products, pulp, and related chemicals. It sells more than \$23 billion in products annually and employs about 61,000 people at 400 locations in North America and Europe. It operates three facilities in Oklahoma, including a building products distribution center in Tulsa and a tissue and a paper production plant in Muskogee. It employs more than 1,600 people in Oklahoma. Its operations generate about \$76 million in taxable wages each year in Oklahoma alone.

Before 1977, the company manufactured gypsum products, which contained asbestos fibers. Since that year, it has not used asbestos in any of its products.

Over time, the company as a whole has paid about \$629 million to settle over 313,000 asbestos claims. A large portion of these payouts goes to attorneys and to many who aren't actually sick. In fact, about 60 percent of its asbestos claims have been paid to lawyers. Another 20 percent has been paid to people who were not sick. The remaining 20 percent was actually paid to sick people. At the end of 2003, it had over 64,000 pending claims nationally and its payments extended into 2013.

Just yesterday I met with another nationwide company, McDermott International, whose power generation division, Babcock and Wilcox has filed for Chapter 11 bankruptcy. In the end, the company and its insurers will pay over \$1.6 billion to claimants and lawyers.

Other companies filing for bankruptcy include Weyerhaeuser—a national paper product manufacturing company with facilities in Oklahoma,

Bethlehem Steel, Harbison Walker, North American Refractories, Owens Corning, W.R. Grace & Co., U.S. Gypsum Co., Kaiser Aluminum, and Halliburton's DII Industries unit.

Overall, asbestos litigation has already forced at least 70 companies into bankruptcy—causing the loss of many jobs. According to a report by Joseph Stiglitz in 2002, as many as 60,000 jobs have been lost due to asbestos-related bankruptcies. Employees of these bankrupt companies have seen their 401k's drop by an average of 25 percent.

According to a 2002 report from the RAND Institute for Civil Justice—a bipartisan group—in 1982, litigation cost American businesses \$1 billion; in 2000, the total cost of litigation rose to \$54 billion; in 2002, litigation costs jumped to over \$70 billion.

Forty-seven States—Hawaii, Rhode Island and North Dakota are the only States that do not have a facility affected by asbestos bankruptcy—have at least one facility affected by asbestos bankruptcy.

Workers displaced by asbestos bankruptcies have lost \$25,000 to \$50,000 in wages.

For every 10 jobs lost in asbestos bankruptcy, a community will lose as many as eight additional jobs. If we do not enact legislation this year, economic growth could be reduced by \$2.4 billion per year which could prevent 800,000 jobs from being created and a loss of \$64 billion in economic growth over a 27-year period. It could cost businesses up to \$210 billion to respond to 500,000 to 2.4 million asbestos claims.

This legislation will guarantee a fair and generous compensation for victims—those are the ones who are really hurt—and will replace the unpredictable court costs with certainty for victims and businesses. It will provide contingent money if the fund runs short or provide money upfront to get the fund running. It protects the claims if the fund runs dry, and it uses no taxpayers' money.

I am not optimistic we will get it passed. There will have to be a wake-up call. Look at what happened a week or so ago. We had the Health for Mothers and Babies Access to Care Act. It was supposed to help get the money to the mothers and babies who need it so much. Trial lawyers won that in the Senate. They got amendments in there that totally destroyed what we were trying to do.

The gun liability bill last week. Standing right next to me was the Senator from Idaho, Senator LARRY CRAIG, who has been a hero in this area trying to do something to protect the second amendment rights and to have some type of legislation that would have an effect on reducing the magnitude of lawsuits against gun manufacturers or distributors and in many other areas. With the amendments the trial lawyers were able to get in to protect trial lawyers, it ended up being killed by the very people who introduced it.

I am hoping there has been a wake-up call and this will not happen in the

case of S. 1125 and we will be able to get this thing passed this year. Every month that goes by, every week that goes by, there are more and more lawsuits. Keep in mind, 60 percent of the money has gone to lawyers and 20 percent has gone to people who have not sustained any types of injuries themselves.

With that, I encourage my colleagues to pass S. 1125 as soon as possible.

I yield the floor.

Mr. DODD. Madam President, I comment briefly again on the pending matter while he is still in the Senate. I say to the Senator from Oklahoma regarding the asbestos legislation, something I have been involved in for a number of years, as late as last evening I met with asbestos study group people. The insurance industry is deeply involved, as is organized labor, relating to a large extent to some of the victims of exposure to asbestos. I am very hopeful, still hopeful we can reach a conclusion.

There are some 700,000 pending cases. I don't know if the Senator mentioned that number specifically, but it is a staggering number of cases. Some 60,000 or 70,000 new cases are being filed each year of people claiming harm and injury as a result of exposure to asbestos. There have been at least 70 bankruptcies declared by businesses directly related to the exposure of people who have been exposed to asbestos, and claims filed against them. There is a danger of many more occurring.

This is a matter that does cry out for solution. We think we have a potential solution, not that anything is perfect, but there have been a lot of people working on this over the last number of months, most intensely the last year or so. I thank Senator FRIST, the majority leader of the Senate, and his staff, for working very hard along with Senator HATCH. Senator LEAHY has been terrific. TOM DASCHLE, the Democratic leader, has made strong commitments and is interested in seeing a bill we can support.

It is almost like a three-legged stool. We will have to reach an agreement between the manufacturers, the insurance industry, which will end up paying the lion's share of this, and the victims themselves or groups that represent them. No one wants a situation where we try to come up with a solution that would take the matter out of the courts, having medical criteria established so people who are really sick will get the help, and those who are not sick obviously would not be able to take advantage of this. But we do not want, at the end of the day, a Johns Manville situation, a resolution of people who have been exposed to products of Johns Manville Corporation where ultimately the amount of money set aside results in 5 cents on the dollar for victims. No one wants to see that happen at the end of the day.

The medical criteria question has been resolved. Thanks to Senator SPENCER of Pennsylvania and work he has

done, the administration of how this would work has largely been agreed to by all the major three groups, the people involved. We are still some distance apart on what the final amount of money ought to be to put in a fund that would adequately provide for those who would meet the medical criteria laid out in the legislation.

If people are committed to this, we can get this done. While there may be a lot of bills around here people want to take credit for, as being major accomplishments, I cannot think of anything more important as an economic message than to come up with a good resolution of the asbestos problem.

I commend my colleague from Oklahoma for coming to the Senate and talking about this.

Mr. INHOFE. Let me respond briefly. I did mention the Hartford Courier newspaper that has been aggressive. I knew the Senator was aware of this and actively concerned because his State of Connecticut, which probably is suffering, is in the top three or four States in the United States with problems.

I suggest there is a fourth leg of the stool and that is for trial lawyers to get this work out.

Mr. DODD. Obviously, they have a strong interest in this.

We will try to take something out of the court system and come up with an answer that would not involve—although we would not necessarily eliminate that, at the end of the day if the fund was inadequate, you could go back. But the idea would be to get compensation to victims, give some finality and certainty to everyone.

The danger for businesses and the industry is they want certainty. Tell me what I owe, what we have to do so we can move on.

My hope is in the coming weeks we can solve that matter.

I thank the Senator from Oklahoma.

AMENDMENT NO. 2660

If I can come back to the matter before us, I thank Senator DASCHLE, the Democratic leader, on the asbestos issue, and Senator LEAHY, among others, along with Senator FRIST and Senator HATCH, who really have been doing a tremendous job in keeping everyone at the table to work at that issue. I thank several other people for their work on this proposal dealing with the outsourcing of American jobs.

Again, this is a major achievement. We never have done something like this before, but this Congress and this body is stepping to the plate and saying this continuing erosion of jobs in this country is something the Federal Government, anyway, will be far more diligent about than we have been.

I thank Senator BAUCUS and Senator GRASSLEY, the floor leaders of the Finance Committee, which has jurisdiction of the underlying bill. I particularly thank Senator BAUCUS for his support of the underlying Dodd amendment yesterday. I am very grateful to him for expressing that support and

Senator GRASSLEY indicating, as well, his support. I thank Senator COLEMAN, who wanted to be a cosponsor of the bill very early. I thank him for that. I thank Senator HARRY REID of Nevada, who is tireless in his participation on these matters all the time. He has been very helpful over the last several days, along with his staff, in getting this resolved. Senator CORZINE of New Jersey spoke yesterday about this bill; Senator KENNEDY of Massachusetts, who spoke with such great passion about the issue of jobs and what is happening to American workers and their families; Senator DURBIN of Illinois, who is always eloquent on these matters; Senator STABENOW, from Michigan, who spoke very directly about conditions in her own State and what happens with job loss. Senator BOXER of California spent some time here yesterday talking about conditions in California and specifically in the agricultural sector which she cares deeply about, in watching Federal tax dollars being used to purchase agricultural products outside of the United States, thus causing job loss. She made that point very strongly yesterday and I commend her for it; Senator DORGAN of North Dakota, as well, for his remarks in support of this proposal; others who were cosponsors, including Senator MIKULSKI, who supported the legislation. I thank her for backing this proposal, as well.

Again, this was a very positive step. I am hoping the bill will be adopted. We will have a vote on it.

For those who think outsourcing is a good thing, then you ought to vote against this amendment. I would like your vote, but if you think outsourcing jobs in the United States with Federal taxpayer money is something we ought to continue to pursue, then you will have an opportunity to vote against this amendment. If that is an honest reflection of your views, then you ought to express them accordingly. If you feel as I and others do that we ought to be sending a message using ourselves as an example and a model and saying we ought to be trying to do better, and that is when it comes to Federal dollars here, we ought to be doing everything we can to encourage the employment of people in the United States, for a lot of reasons, not the least of which is that you cannot continually erode the human capital in this country and expect to reconstitute it during moments of crisis or need.

If we continually erode the human capital elements and destroy, in the process, a manufacturing base, which is occurring at an incredible rate of speed—as I pointed out earlier yesterday and today, some 2.8 million jobs have been lost in the last 36 months in the manufacturing sector alone—as those jobs leave, the ability to come back and reconstitute them in a way that we may find absolutely necessary, not only for the production of domestic products for sale at home and globally, but also in the manufacture of critical components of our defense structures—

very shortly we could find ourselves in this century ill-prepared to meet new challenges.

So there are a lot of good reasons we ought to be concerned, not the least of which is what happens to these families when they painfully discover their job has been lost, and someone, at a fraction of their wage or salary, has been hired merely because it looks better, because it increases profitability on a quarter-to-quarter basis. We ought to be thinking in the longer term. In my view, we ought to be thinking about the coming generation and what kind of country we will leave.

So while I respect the business decisions that are made to outsource—although I disagree with many of them, I understand them—I hope business understands, for those of us in the public sector who have a broader responsibility—not just to those who are engaged in the business and their bottom line but to those who work for them as well—that we are going to try to do what we can to discourage the outsourcing of jobs where it is not necessary either for the national security needs of the Nation or because you cannot acquire these products anywhere in the United States. Certainly, we provide for exceptions in the legislation to cover those circumstances.

So, again, I think this is a major step forward. And I will be looking forward to how the administration reacts.

Let me also point out I will come back to another item in a minute as to a comment made by Senator INHOFE, but I hope the Dodd amendment will be voted on favorably.

Madam President, I do not know if the yeas and nays have been asked for on the Dodd amendment.

The PRESIDING OFFICER. They have not.

Mr. DODD. I ask for the yeas and nays on the Dodd amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. DODD. I thank the Chair.

Madam President, let me just say, if I may—and I will be glad to yield the floor after this—according to the official arbiters of the economy, the National Bureau of Economic Research, the recession that we are still in, to some extent—although we seem to be coming out of it—began in March of 2001, not in the first quarter of 2000. And I know my friend from Oklahoma made the point that the recession began in the last year of the Clinton administration, when, in fact, the objective observers about when the recession actually began say it was in March of 2001, a year later.

With that, Madam President, I am happy to yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMAS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to amendment No. 2660, as modified, as amended.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Louisiana (Mr. BREAU), the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 70, nays 26, as follows:

[Rollcall Vote No. 32 Leg.]

YEAS—70

Akaka	Dorgan	Mikulski
Allen	Durbin	Miller
Baucus	Ensign	Murkowski
Bayh	Feingold	Murray
Biden	Feinstein	Nelson (FL)
Bingaman	Frist	Nelson (NE)
Bond	Graham (FL)	Pryor
Boxer	Graham (SC)	Reed
Bunning	Grassley	Reid
Byrd	Harkin	Rockefeller
Cantwell	Hollings	Santorum
Carper	Hutchison	Sarbanes
Chafee	Inhofe	Schumer
Clinton	Inouye	Sessions
Coleman	Jeffords	Shelby
Collins	Kennedy	Smith
Conrad	Kohl	Snowe
Corzine	Landrieu	Specter
Daschle	Lautenberg	Stabenow
Dayton	Leahy	Talent
DeWine	Levin	Voinovich
Dodd	Lieberman	Wyden
Dole	Lincoln	
Domenici	McConnell	

NAYS—26

Alexander	Craig	Lugar
Allard	Crapo	McCain
Bennett	Enzi	Nickles
Brownback	Fitzgerald	Roberts
Burns	Gregg	Stevens
Campbell	Hagel	Sununu
Chambliss	Hatch	Thomas
Cochran	Kyl	Warner
Cornyn	Lott	

NOT VOTING—4

Breaux	Johnson
Edwards	Kerry

The amendment (No. 2660) was agreed to.

Mr. GRASSLEY. Madam President, I move to reconsider the vote.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONGRATULATIONS TO SENATOR INOUE

Mr. STEVENS. Madam President, I would like the Senate to join my good friend from Hawaii in celebrating this

day. Today is Senator INOUE's 15,036th day in the Senate. That makes him the fifth longest serving Senator in the history of the United States. He has passed the record set by Senator John Stennis, who was previously the fifth longest serving Senator.

Senator INOUE was sworn in as a U.S. Senator on January 3, 1963. Since that time he has cast 13,844 votes. Only four Members in history have cast more votes.

During his Senate career, he has served with 355 of the 1,875 Senators who have been Members of this body. This means he has served with approximately 20 percent of all Senators in U.S. history. I count myself lucky to be one of the many Senators who continue to have the privilege to work alongside my good friend from Hawaii, Senator INOUE.

Congratulations, Senator.

(Applause, Senators rising.)

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Madam President, I join my colleague from Alaska and all of our colleagues in congratulating our special colleague, Senator INOUE. It is not just the quantity of days he has served that makes him unique and special; it is the quality of the days he has served.

Over these years, he has provided remarkable leadership not only for his State but for his country. He has inspired us and he has provided remarkable demonstrations of commitment to his country and commitments to his people in Hawaii.

I was in ninth grade when Senator INOUE was elected to the Senate. I look back at all of those years since being in ninth grade, and I can only imagine what it must seem to him having served this number of years in the Senate. We wish him many more.

I always admire Senators with longevity, but it is no secret why Senator INOUE has experienced his longevity. It is his respect, amazing dedication, and the extraordinary and remarkable way with which he conducts himself in public life that has earned him respect on both sides of the aisle. Senator INOUE, we congratulate you, we thank you, and we are honored to serve with you.

I yield the floor.

Mr. AKAKA. Madam President, I wish to join my colleagues in offering my congratulations to my friend and colleague, Hawaii's senior Senator and statesman, DAN INOUE, as he marks his 15,036th day of service in the Senate and becomes the fifth longest serving Senator in the history of our Republic.

I am proud to serve alongside a true patriot and American hero, and to offer a few words recognizing his many contributions and commitment to public service. The people of Hawaii and our great Nation appreciate the leadership and direction he has provided, leadership which has bettered and strengthened our country. The scope of his contributions is matched only by his continued strong and effective leadership

on behalf of our State, on behalf of our men and women in uniform, on behalf of Native Americans, and on so many other matters, in the Senate.

I am certain I speak for all the people of Hawaii when I say thank you, DAN INOUE, son of Hawaii, for over four decades of exemplary service and commitment to our State and our Nation. We are very proud of our senior Senator. Thank you, Mr. President.

Mr. BYRD. Madam President, on January 3, 1963, DANIEL INOUE became a U.S. Senator. Today, 15,036 days later, he has become the fifth longest serving Senator in American history.

This is yet another accomplishment in the life and career of a remarkable man and outstanding American.

I must point out, however, that his has not been an easy or comfortable life. It has involved overcoming the trials and tribulations of immigration and discrimination.

Still, his has been a life of service to our country. During World War II, he served our country in the famed 442d Infantry Regimental Combat Team of World War II, the most decorated Army unit in U.S. history. He was awarded the Distinguished Service Cross, the Bronze Star, the Purple Heart, and the Congressional Medal of Honor, making him one of only seven Senators to have been awarded our Nation's highest military honor. His war-time heroics have now been documented in the film, "Daniel K. Inouye: An American Story."

His service to our country continued in the U.S. Senate where he became the first Japanese American ever to serve in the U.S. Congress, and served on the Senate Watergate Committee, the Congressional Iran Contra Committee, the Senate Appropriations Committee, and as Secretary of the Democratic Conference. I am pleased to point out that Senator INOUE will soon cast his 14,000th vote.

Personally, I have always appreciated and respected his deep loyalty to the Senate and everything for which it stands. I will never forget his loyalty to me when I was the Senate Democratic leader. Whenever I needed his assistance, he was there. Whenever I needed his vote, he was there. Whenever I needed his friendship, he was there. In an address to the Senate last July, I referred to Senator INOUE as "my hero in the Senate." I am confident that he always will be.

Senator INOUE is a dear colleague and a remarkable man. Therefore, I take great delight in congratulating him on achieving this momentous occasion.

I congratulate the Senator. His colleagues are proud of him as are the people of Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUE. Madam President, I shall long remember this day. I just hope my constituents will not consider me too old to be running for reelection. I thank my brother from Alaska and

my leader from South Dakota. Those words will be cherished.

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

JUMPSTART OUR BUSINESS STRENGTH (JOBS) ACT—Continued

Mr. BUNNING. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2686

Mr. BUNNING. Madam President, I send amendment 2686 to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. BUNNING], for himself, Ms. STABENOW, Mrs. FEINSTEIN, Mr. LEVIN, Mr. KOHL, and Mr. ROCKEFELLER, proposes an amendment numbered 2686.

Mr. BUNNING. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To accelerate the phase-in of the deduction relating to income attributable to domestic production activities)

On page 71, strike lines 17 through 21, and the matter before line 22, and insert the following:

"(2) PHASEIN.—In the case of taxable years beginning in 2004, 2005, 2006, 2007, or 2008, paragraph (1) shall be applied by substituting for the percentage contained therein the transition percentage determined under the following table:

"Taxable years beginning in:	The transition percentage is:
2004, 2005, or 2006	5
2007	6
2008	7.

AMENDMENT NO. 2687 TO AMENDMENT NO. 2686

(Purpose: To provide for the extension of certain expiring provisions, and for other purposes)

Mr. GRASSLEY. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

Mr. HARKIN. Madam President, point of order.

The PRESIDING OFFICER. The clerk will report the amendment by number.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Mr. BAYH, Mr. SANTORUM, Mr. BUNNING, Mr. GRASSLEY, Mr. BAUCUS and Mr. DORGAN, proposes an amendment numbered 2687 to amendment No. 2686.

Mr. GRASSLEY. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

Mr. HARKIN. I object.

The PRESIDING OFFICER. The clerk will report.

(The assistant legislative clerk continued with the reading of the amendment.)

Mr. REID. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Text of Amendments.")

Mr. REID. I ask unanimous consent that the Senator from Iowa, Mr. HARKIN, be recognized to speak for up to 7 minutes before we return to Senator BUNNING.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from Iowa.

Mr. HARKIN. Madam President, I thank the Senator. I wanted to alert fellow Senators what is going on. It is obvious that the Republican side of the aisle does not want to vote on the overtime bill. For some reason, they are afraid to confront this issue. I don't want to take a lot of time. I would agree to a half hour evenly divided. We have debated this issue before. But make no mistake about it, the Department of Labor is about to issue regulations that will strip overtime pay protections from 8 million workers in this country.

This Senate, last year, on a bipartisan vote, passed my amendment to disallow those regulations. The House of Representatives also, on a bipartisan vote, voted to uphold what we did in the Senate. And the administration stripped it out on the Omnibus appropriations conference report.

They say this is a jobs bill. How about the jobs of people who are working overtime in America? How about the men and women who have given up their premium time with their families and with their kids, after work, on weekends, to work overtime? What about them? These are jobs, also. How about the people unemployed right now who would be employed but, if employers can work people over 40 hours a week and not pay them a cent more, why would they hire anybody else?

Last, as I said the other day and I pointed out, this is a dagger pointed at our veterans. You can look in the old regulations. There is nothing in there about training in the military causing you to be exempt from overtime pay protection.

Here, I blew it up on this chart. I am not going to read the whole thing, but basically it puts in these words: "training in the Armed Forces." What does that mean? It means if you get specialized training as a veteran and you come out and go to work, you can be exempt from overtime pay protection simply because you got that training in the Armed Forces. You aren't called a "learned professional" without a four-year specialized degree otherwise. But not if you are a veteran. The regulations would substitute veterans'

training for university education, at least to take their overtime away.

What it does is it makes a veteran who got specialized training in the Armed Forces less eligible for overtime pay than his or her counterpart who never served in the military who otherwise has the same education. That is why we feel so strongly about disallowing the proposed regulations of the Bush administration that will strip these overtime pay protections from 8 million workers.

Make no mistake about it, the Department of Labor is about to issue these regulations. They say they are going to issue them this month. Perhaps that is why the Republican side doesn't want to vote on them. They want the Department to issue the regulations, get them in force and effect. Then they know it is harder to overturn them, once those rules and regulations are out there.

I hope the working men and women around America are paying attention to what is happening on the floor of the Senate right now. The other side has known full well; they were told earlier on if they were going to call this a jobs bill, we ought to be allowed to offer our amendment for an up-or-down vote on whether the administration ought to be allowed to issue these regulations stripping overtime pay, regulations on which they have never had one public hearing, not one. Yet the other side is not letting us even vote on it. Not even vote on it. That is the charade. That is the game that is going on around here.

Are we stopping this bill? We are not stopping this bill. I heard someone say if the Harkin amendment on overtime pay is adopted it will kill the bill. Why, I ask, would it kill the bill? This is a jobs bill. We are trying to protect jobs in America.

At some point we will vote on this amendment. Maybe not on this bill, because I can see the writing on the wall now. They are going to keep second-degreed this amendment to death. Then they are going to go off the bill and go onto the budget.

But I will be back. I don't want to quote the Governor of California, but, "I'll be back." I will be back and I will be back. Whenever there is an opportunity for this Senator to offer this amendment to stop the taking away, the stripping of the rights of our working people in this country to overtime pay, I will be here. If there is an opportunity on this bill, I will do it, but I can see what is happening. The other side does not want this brought up for a vote, and they will do everything they can to preclude me from bringing it up.

I say to the other side: I will be back.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I ask unanimous consent, without the Senator from Kentucky losing his right to the floor, if I could have 60 seconds to say where we are right now.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. The obvious thing going on here is that my colleague from Iowa wants to go out of turn and jump ahead of the line. We have an agreement lining up amendments. We did this yesterday morning. The overtime amendment is in that line, and it is just a matter of waiting until that sequence comes and that opportunity is going to be there. That is the fair way of doing business around here. As the manager of the bill, I am going to make sure we do this in a fair way.

I did offer an amendment to the Bunning amendment. That one part of the amendment that was just read is something that is very important to Iowa. We are going to have the largest wind energy generating project in mid-America in Iowa, if we can get the wind energy tax credit extended.

This is an amendment that extends a lot of the provisions that have run out. Wind energy is one of those. This gives an extension to all of these extenders that have run out. One of those is for wind energy, which affects the entire country, of course. But one of the largest wind energy projects ever is going to be in Iowa. If we can get this wind energy tax credit extended—

Mr. HARKIN. Will my colleague from Iowa yield for a question?

Mr. GRASSLEY. If it is OK with the Senator from Kentucky, yes, I will yield.

Mr. HARKIN. I wanted to ask if the other side would be willing to have a time agreement on the Bunning amendment and the Grassley amendment that was added thereto. Then maybe we can get to the overtime amendment.

Mr. GRASSLEY. Those are things that are being discussed. I think it is fair to say it ought to be OK if I don't have an answer to that right now for the simple reason that yesterday, and even earlier today, we tried to get agreements from the other side on some votes, and we weren't able to get them. But those are things that are eventually negotiated, as the vote we just had, and the same thing may happen on other amendments.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. BUNNING. Thank you, Madam President.

I rise today to offer an amendment which is cosponsored by the Senator from Michigan and the Senator from Wyoming, Mr. THOMAS.

I first want to compliment my chairman and ranking member for putting together the very good bill that we have before us today.

While no piece of legislation is ever perfect, the current situation in which we find ourselves as a result of the WTO decisions in the FSC and ETI cases presents this Congress with quite a challenge.

I supported this bill in the Finance Committee, and I think it does an admirable job in balancing the variety of interests at hand. However, I think the amendment at hand makes a good bill better.

Job creation and the economy is the top priority for Americans today. I think we have turned the corner and the economy is recovering, but we still lag in creating jobs.

We have an opportunity today to get behind manufacturing and make sure that high-paying American jobs stay in America for American workers. We can make "Made in the USA" mean something again.

Because we are forced to repeal the ETI, we are taking away an important export incentive from our country's manufacturers. The effect is to raise their taxes just as our recovery is gathering steam.

We have a responsibility to protect our domestic manufacturers and give them the ability to compete in the global marketplace. The manufacturing tax deduction contained in the bill before us today is designed to foster job creation and reverse the declines in the manufacturing sector employment levels.

It will reduce the tax burden on all domestic manufacturers, small and large.

As currently drafted, the bill before us phases in this important manufacturing tax provision over a number of years so that companies do not receive the full tax break—the equivalent of a 3-percent tax rate reduction on income generated by manufacturing inside the United States until 2009.

This amendment will phase in this rate reduction at an accelerated pace. As a result of the amendment by myself and the Senator from Michigan, U.S. manufacturers will have a tax rate decrease of 1½ percent in 2004, compared to the one-third of 1 percent provided in the underlying bill for 2004.

Due to the repeal of the ETI, American manufacturers are being asked to shoulder a tax burden that could stifle the recent job growth we have seen.

Our manufacturers shouldn't be saving for a tax increase. They should be hiring American workers and expanding their business.

In my State alone, manufacturing contributes \$31 billion to the State economy, and manufacturing firms employ 293,000 Kentuckians.

The workers of our States demand our support. This amendment and this bill are aimed at strengthening this important sector of our economy.

My amendment reaffirms our commitment to American manufacturing and will attract jobs to the United States.

I urge my colleagues to support this important amendment.

I yield to my friend from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Ms. STABENOW. Madam President, I appreciate the opportunity to join my colleague from Kentucky on a very important amendment. I also appreciate Chairman GRASSLEY and our ranking member, Senator BAUCUS, as well, for their leadership and their support in working with us on this important amendment.

Our amendment, as my colleague indicated, speeds up the tax cut for all U.S. manufacturers to address the current manufacturing crisis.

This particular amendment would increase the tax relief in 2004—five times more than in the underlying bill—and, in fact, would provide about \$6.5 billion in relief to manufacturers and small businesses over the next 5 years.

My colleague has gone into the specifics of a lot of this amendment. What I would like to do is spend my time talking about why this is so critical.

We have a crisis in manufacturing in this country. Nowhere is that more evident than in my home State of Michigan where last year we had the largest number of jobs lost in the country and the highest unemployment rate. This is an issue that is my top priority.

When we look at what has happened in terms of manufacturing jobs over the last number of decades, we see that we are back now to the lowest point since the Depression and when Herbert Hoover was President of the United States.

We have seen huge drops in jobs. My great concern is that even though we are seeing an increase as it relates to the stock market and positive indications, we have not yet seen that translate into jobs. I believe that is for many factors that relate to the pressures on manufacturers in a global economy.

When we look at the fact that the United States has lost over 2.8 million manufacturing jobs in the last 3 years, this is a crisis.

Let me speak specifically to a couple of examples I have talked about.

When we look at this number in Michigan compared to other States, there is a 19-percent job loss. We have seen literally, every single day, headlines in the papers about people losing their jobs, plants closing and going to other countries, the exporting of jobs, and layoffs occurring all around Michigan; not only in manufacturing, I might add, but when we look at the outsourcing issue, we are looking to white-collar jobs, technology jobs, engineers, health care workers, a wide variety of jobs. But we know in our country—and I believe very strongly coming from Michigan—that we have to have a foundation, a manufacturing base to have a strong economy and a strong middle class.

In Michigan, I am very proud of the fact that we make products and we grow products. That is the basis of our economy. Frankly, it has been the basis of the U.S. economy since the beginning of our country.

We are seeing a huge drop—on down to 2003—in what has happened in terms of jobs in Michigan.

One example I talked about earlier today is a plant called Electrolux in Greenville, MI, a community of 9,000 people in the western rural part of the State, where 2,700 people are employed to make refrigerators, Frigidaire, in fact, through Electrolux. They have

added a third shift and the company says they are making a profit. But they have also indicated they could make a bigger profit if they moved to Mexico and paid \$2.50 an hour and no health benefits. So they are closing. We have Michigan residents here today to speak at a hearing tomorrow about the devastation this loss of jobs will create.

We have to do everything possible to provide incentives and support for manufacturers to remain in the United States and keep our jobs here.

There are a lot of factors, when we look at what is happening with Electrolux and when we look at what is happening in Steelcase in Grand Rapids, MI, cutting 77 of its skilled workers.

Wohlert, in Lansing, MI, has laid off 245 workers because of the bad economy and overseas competition; Easton, in Marshall, MI, indicates they would be cutting 185 of their 285 jobs and moving plants to Mexico; Federal Mogul in St. Johns and Greenville, MI, Lear Corporation in Traverse City, Gidding & Lewis in Menominee, Straits Steel in Ludington. The stories go on and on.

There are many reasons for that. We know we need to be smart about trade policies where we are encouraging the creation of a middle class and raising the standards around the world, raising standards in Mexico and in China and other places, where we are competing and finding our jobs are moving, and by raising that standard of living. Instead of losing or exporting our jobs, we can export our product and they will have a middle class so they can buy our products.

I indicated to the folks that Electrolux may be able to move the plant to Mexico and pay \$2.50 an hour with no health benefits, but the question I had was, who was going to buy the refrigerators? Certainly not citizens if they make \$2.50 an hour with no health benefits.

We have to be doing everything possible to create a race up instead of a race down. This amendment is a very important part of the equation to do that. We need to make sure we are providing incentives and tax relief for manufacturers which create jobs in the United States. This amendment, in fact, will do that.

We also know we need to tackle issues such as currency manipulation, where China, Japan, and other countries basically create a tax for our manufacturers. When a Michigan manufacturer sells a product into China they have to sell it at a higher price. It can be up to 40 percent equivalent of a tax into China. When Chinese businesses sell in the United States, they can artificially lower their prices. Why do they do that? They want us to move the plant to China instead of selling our goods to China. We need to tackle that. If the Secretary of the Treasury would simply certify that, in fact, currency manipulation is occurring, there

are actions we can take to level the playing field. That needs to happen as well.

Senator SCHUMER has a bill—in fact, I am a cosponsor—and I hope in addition to the amendment today and the legislation before the Senate, we would pass that very important legislation to level the playing field for our businesses and our workers in America.

We also need to address health care costs. We need to do it in a way that addresses the fact that our manufacturers have health care costs tied to employment in this country as part of doing business and in other countries they do not. We need to tackle that in a way that does not cost our workers in terms of their health care coverage or increase their costs. We can do that.

We also need to be addressing a number of issues that deal with trade.

The reality is, the place to start right now is with this bill. This amendment provides \$6.5 billion more in tax relief and assistance to manufacturers who create American jobs.

I have another amendment I will offer that will add to what I believe is a very important part of the picture. That is, this tax deduction phases out over the next 10 years and is then available to all manufacturers, not just domestic manufacturers. I believe that is a mistake and we ought to make sure it remains only for those creating jobs in America. I look forward to debating that even further.

I am pleased today to be sponsoring this amendment with my colleague. I should also indicate I have legislation I had introduced last fall with my colleague from South Carolina, Senator GRAHAM, on this very subject that included both the manufacturing tax credit and eliminated the phaseout so that those dollars and the tax credit would be focused on our domestic manufacturers.

What we see today is not only an issue that affects major employers. It is important to say this is a small business issue as well. The majority of manufacturing establishments are small businesses. The vast majority of them have 20 employees or less. This is not only an issue for our major manufacturers—and certainly in Michigan we are very proud of our large manufacturers; they are part of our auto industry and our high-tech industry, and we are very proud of our furniture industry and all of the other industries we have in Michigan—but this is very much a small business issue, as well.

Let me finally say as we help manufacturers, we are also helping our economy and our families in terms of standard of living. When we look at the average service-sector salary and a manufacturing-sector salary, we see a major difference. Within our families, our workers are able to have a good manufacturing job, they are able to have dollars in their pocket to care for their families, to buy that house, to send the kids to college, to be able, in Michigan, to buy that snowmobile or the cottage

up north and able to have the quality of life we all want for ourselves and our families.

The way to stimulate this economy, the way to keep consumer confidence moving and to keep all of the economic indicators moving in the right direction is to support our manufacturing sector in our country. That is what the bill does; that is what this amendment does.

I hope my colleagues will join together in a bipartisan way to support this particular amendment which will add significant support for our manufacturers. It will do it immediately this year because they need help now.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from Montana.

Mr. BAUCUS. Madam President, I give my compliments to the yeoman efforts of the Senator from Michigan. She has done a wonderful job. She has many times come to me and asked: MAX, can't we do more? I have an amendment to accelerate the deduction and many times it will be explained how important it is, particularly for her people in the State of Michigan.

I compliment the Senator very much for her terrific work. Those in Michigan ought to know, she is persistent and steady in coming to this Senator and saying we have to do more; let's do this. And the same with the Senator from Kentucky, Senator BUNNING. I have heard from him. But I must be honest and seek a full disclosure and say the Senator from Michigan has been very consistent and done a superb job. I also compliment her on the charts. They are good charts, explaining the situation very well.

I thank the Senator for her statement. She is on target. Most Members in the Senate will vote for this amendment offered by the Senator from Kentucky and the Senator from Michigan. It is very important to do what we can to create and to retain jobs in America.

The underlying bill goes a long way to accomplish that objective, but this amendment goes further; and that is, I think it costs about \$6-point-some billion and accelerates the deduction, meaning that companies can get that deduction earlier. They can plan earlier. And it is for all size companies, not just big business, but all size business.

We all know, as the Senator from Michigan pointed out, half of all employees in America work for small businesses, and three-quarters of all new jobs in America are created by small businesses.

We often say small business is the backbone of America. Why do we say that? Because it is true. Small business is the backbone of America. A lot of these big companies can go offshore—and it is one of the problems we are trying to address—but the small business cannot go offshore in the main. If a big business goes offshore and takes contracts away, often small business bears the brunt of it. So it is very im-

portant we do what we can to keep jobs in America.

This clearly is a complex problem; that is, offshoring, outsourcing. It requires a very dedicated, concentrated effort to solve it. It is quite complex. There are various ramifications, various parts of this. The Senator from Michigan mentioned a good number of them, including the high cost of health care in this country.

One of the problems we are facing, too, is currency manipulation by various countries, including China and Japan, countries with huge reserves in currencies and having a great effect on the American economy; and it is not always good.

In addition to that, it is trade policy. We are reaching trade agreements with minuscule economies—Morocco, Bahrain. Well, that is fine. Morocco is a great country, as is Bahrain, but the point being, those are small economies. Rather, there are huge economies where we are not enforcing trade agreements already reached. One is China, this WTO, another is India.

We hear all the time about call centers moving to India. We do not hear about American companies selling to India, for a very good reason. India is a very closed country. It is very difficult to sell in India.

If we, as a country, were to use much more of our efforts to enforce trade agreements and open up huge markets—that is India and China—rather than using our efforts to reach trade agreements with smaller countries, we would be doing a much better job to help keep jobs in America. That is just one of the various things we can and should be doing.

Ms. STABENOW. Will my friend yield?

Mr. BAUCUS. I am happy to yield. I yield the floor, Madam President, so my good colleague can have the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Madam President, I want to take a moment, first, to thank my colleague for his kind words and for his leadership. Secondly, I do want to indicate cosponsors on our side of the aisle to the amendment: Senators LEVIN, FEINSTEIN, KOHL, and ROCKEFELLER. I very much appreciate their support.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I am just saying, we have a huge challenge here to help create jobs and to keep jobs in America and to retrain people who lose jobs.

This phenomenon of job loss is huge. As the chart by the Senator from Michigan shows, we have lost about 3 million jobs since 2001; that is net loss. Those are manufacturing jobs; a net loss of 3 million manufacturing jobs in America. We have also lost a good number of service jobs, but on a net basis, not near as many service jobs lost as manufacturing jobs. Manufacturing just pays significantly more than service.

I might also say, this is not just an American phenomenon. It is happening in countries worldwide. It is happening in virtually every country. The one country where it is not happening as much is Japan, interestingly. But it is happening in every other country. Why? I daresay part of the reason is due to just natural phenomena—not natural, but phenomena that are occurring worldwide, due largely to globalization, advances in technologies, communications technologies, which are forcing countries worldwide to compete even more aggressively, to cut their costs as much as they can, and producing wherever they can to get the best rate of return they possibly can.

That is why it is happening worldwide, not just in America. It is happening worldwide. Part of that is because of increases in productivity. Obviously, as productivity increases, more products are produced with fewer employees per product.

Just to state the problem does not mean we stop right there. We have to start finding answers to the problem; that is, how to get more employees, more workers, more Americans working in more good-paying jobs. One way is with this bill. This bill will help reduce the cost of production; that is, by deduction. This bill actually creates a 9-percent deduction for the cost of domestic manufacturing. That is important.

For example, take a small business whose income tax would be \$200,000 on domestic manufacturing, the 9-percent deduction calculates to roughly about a 3-percent reduction in the rate, so that is a \$6,000 reduction in that company's income taxes. That helps. That is not a small matter to reduce one's income taxes by that amount. So that is one partial solution to job loss in America this bill addresses.

Second, we adopted an amendment to this bill already. It is the Hatch-Murray amendment. Senator MURRAY very much knows, as does Senator HATCH from Utah, that Washington State is a State that a few years ago was called the "Silicone Forest" with all the sort of higher-tech companies developing in Washington State. The Washington Seattle Port trades a lot. Salt Lake City is not a huge seaport, by any stretch of the imagination, although they have the great salt lake—it is not small—but the point is, Senator HATCH from Utah also knows the importance of extending the research and development tax credit. It is a measure, frankly, he and I have introduced jointly many times over the years. But that provision now is also adopted as an amendment in this bill.

The more we can encourage research and development, the more we are going to create jobs and keep jobs. We know, too, that where the research is, is where the jobs tend to be; that is, where the products develop is where the jobs tend to be. This is a research tax credit for American research and

development. It is not overseas, but it is in America. So that, too, is going to help.

Now we come with this amendment, the amendment offered by the Senators from Kentucky and Michigan. It is an additional stimulus because it accelerates the deduction very significantly. That is going to help. It is going to go a long way.

There are lots of other things we need to do. I am not going to spend all night talking about them, but one is to adopt the second-degree amendment offered by the chairman of the committee; that is, the extenders provision. That is very important.

Madam President, you know, as well as anyone in this body about the importance of predictability, the importance of certainty, as much as possible, that any businessperson may have or may not have—or, to state it differently, the uncertainty they may have. Every businessperson abhors uncertainty. You almost don't care what the problem is so long as the problem is pretty certain. If you know what the problem is, you can work around it. If the problem is always changing, it is pretty hard to work around it.

We have had something called tax extenders, and they have been for very good purposes, as the Senator from Maine well knows. I think the Senator from Maine, as I recall, has one on education for teachers. It is to help teachers get their deduction for the supplies they purchase to help their students. That has expired.

Well, if I am a teacher with very low pay—it would be a great job, actually, in many respects; that is, to be a teacher—I would want to know if that deduction is still available or not. So far, it is not available. It has expired. But in the extenders package we are adopting here, we are going to extend that deduction so teachers will know, at least until the end of 2005—18 months roughly; they are going to have that.

There are a lot of other extenders, too. Senator BAYH, for example, is interested in the work opportunity tax credit and other similar tax credits which enable employers to get people off of welfare and hire people so they are doing work, so they can earn a living for themselves and their families. That tax credit has expired. Senator SANTORUM is also interested in extending that tax credit. We have that here in the extenders.

There are a good number of others. For example, Senators CLINTON and SCHUMER are very concerned about the liberty bonds for the development of New York City. That has expired. That is jobs. The more we can continue these extenders and get them back in the law, the more it enables those people in New York and others related to it to know whether or not they can depend upon those bonds and continue the reconstruction from the damage caused by 9/11.

In addition, there are some provisions that help the District of Colum-

bia. We don't have any Senators here representing the District of Columbia. We all are, in a certain sense. But those, too, are going to be available.

I mentioned the one the Presiding Officer is interested in. What about computers in schools? We have a provision for companies to donate computers to schools. That has expired. I would think we would want to extend that. That is going to help kids, help companies. It is going to help America. It provides jobs.

After that, there are a few others. I won't go into great detail. There are incentives for jobs, for health care, to clean up pollution and more.

Essentially, we have a responsibility to pass these extenders. We have been derelict over the years. Everybody likes these provisions. Everybody wants them. They last maybe a year, a year and a half, then they expire. We let them lapse sometimes for 6 months, sometimes 7, sometimes 8. Sometimes we go back and reenact them retroactively. Sometimes we don't. It is just nuts. They are yo-yo extenders. How in the world are people going to be able to plan if we are yo-yos?

We as Senators should put them permanently in the law because we always reenact them. My hope is over the not too distant future we will be able to do that.

Another temporary extension is in the bill. That is going to help address some of the job loss this country is facing.

I yield the floor.

Mrs. FEINSTEIN. Madam President, I come to the floor today to support the Bunning-Stabenow-Feinstein amendment which will immediately implement a manufacturing tax deduction that offers much needed assistance to our ever diminishing manufacturing base in this Nation.

I applaud the leadership of Senators BUNNING and STABENOW in reaching out to a bipartisan group of Senators and urge my colleagues to support this amendment.

Simply, this amendment would adjust the underlying bill to require an immediate implementation of the new manufacturing deduction and would result in an immediate benefit to our Nation's manufacturers by beginning the process of cutting their tax rate by 3 percentage points.

So if you produce manufactured goods in the United States, you will see a phased-in reduction of your tax rate from 35 percent to 32 percent by 2009.

This provides a competitive incentive for manufacturers to produce jobs by reducing their tax burden immediately.

Critically, this amendment not only includes heavy manufacturing, which is so important to our State and national economies, but also the production of software, film, video, and sound recordings. I do not have to tell anyone in this Chamber how important this is for California and the Nation.

The movie, television and home video industries, which are based in Cali-

fornia, are a tremendous economic engine of growth. The industry accounts for nearly 5 percent of the U.S. gross domestic product and is one of the largest employers in the country, having doubled its workforce over the last 25 years to a total workforce today of over 4.7 million workers.

I am working with Senators GRASSLEY and BAUCUS to make sure that these industries are able to take full advantage of the tax benefits that we are proposing here and I am confident that we will come to an agreement to do that.

But why single out manufacturing? Why not offer a tax cut to all businesses equally? The answer is clear. We have seen a dramatic decrease in our Nation's manufacturing base and a stimulus directed at this sector of our economy is long overdue.

Since January 2001 this Nation has lost 2.8 million manufacturing jobs. My home State of California, has lost more than 300,000 manufacturing jobs over that same period. That is a 16 percent decrease in California's manufacturing employment base in just 3 years.

It is time to stop the bleeding and this amendment will give manufacturers important tax relief so they may grow jobs here at home.

As has been pointed out by the National Association of Manufacturing: manufacturing accounts for nearly one fifth of the Nation's GDP; provides 15 million high paying jobs; supports another eight million jobs in other sectors; and is the seedbed of innovation in our economy, accounting for 62 percent of all research and development.

It is far and away our pacesetter in productivity gains, and accounts for the bulk of U.S. exports.

Manufacturing in the State of California contributed more than 26 percent to our State's domestic product—more than one quarter of my State's economic base.

But, the overhead costs of taxes, health and pension benefits, and rising energy prices add 22 percent to the price of U.S. production relative to our foreign competitors.

The erosion of high paying manufacturing jobs has continued unabated for years and we now see the phenomenon exacerbated by so many other factors, including outsourcing.

This amendment will help on both counts. It will reduce taxes on manufacturers and foster an environment for job growth in this important sector.

I urge my colleagues to support this amendment and bring an immediate pro-growth stimulus to an important part of our economy.

Mr. SMITH. Madam President, I rise today in strong support of the deductibility of private and government mortgage insurance premiums. Last year, my Finance Committee Colleague Senator LINCOLN and I introduced the Mortgage Insurance Fairness Act, S. 846. Today 19 of my Senate colleagues join me in supporting this proposal. We are introducing this important legislation as an amendment to the JOBS

Act, S. 1637. More than 12 million homeowners currently pay private or government mortgage insurance. This amendment will allow these homeowners an immediate tax savings and will allow an estimated 300,000 additional families per year to more easily qualify to buy a home. The vast majority of these new homeowners will be lower-income, minority and veteran households who need mortgage insurance the most.

The JOB Act is the perfect opportunity to allow hundreds of thousands of low-income Americans to qualify for homeownership. Mortgage insurance allows moderate income households to buy homes often with a down payment of as little as 3 percent. In 2001, mortgage insurance and guaranty programs covered 57 percent of mortgage purchase loans made to African-American and Hispanic borrowers as well as 54 percent of the mortgage purchase loans made to borrowers with incomes below the median. Unfortunately, unlike many other costs associated with homeownership, mortgage insurance premiums currently are not tax deductible. We want to permanently change this fact for taxpayers earning less than \$100,000 per year.

If we are successful in adding this amendment, we will have seized a unique opportunity to help millions of families receive immediate tax relief and hundreds of thousands more realize the American dream of homeownership. With supporters like the American Federation of Teachers, Americans for Tax Reform, the Mortgage Bankers Association and the National Urban League, this amendment brings diverse groups together in the common cause of homeownership.

I am proud to sponsor this amendment and I urge my colleagues to join this bipartisan effort to make the American dream of homeownership come true.

Ms. CANTWELL. Madam President. I rise today to express my support for amendment No. 2647 that, just yesterday, passed the U.S. Senate unanimously. I also thank every one of my colleagues for their support for what I believe is one of the greatest mechanisms for job creation and industry innovation. The amendment, of course, extends the research and development tax credit for 2 years.

The research tax credit, I believe, has demonstrated that it is a powerful incentive for companies to increase research spending. The tax credit lowers the cost of doing research in the United States, so it encourages companies to continue to make investments in critical R&D. And the bottom-line benefit is that research and development creates new jobs in the United States—something that is so vital right now for our Nation and for my State.

The current R&D tax credit is set to expire on June 30, 2004. Many of my colleagues, here, know we play this annual game of saying the R&D tax credit is important, but then not renewing

it on a permanent basis, thereby denying companies and organizations the certainty they need to make these investments. The major investments in nanotechnology and biotechnology, in software, and in the computer sciences take several years of investments. Without a planning horizon of at least several years, companies just won't put the money into R&D.

I am fully aware of the budget situation we are confronting, as Senator HATCH described yesterday. But, as my friend from Utah, stated, "[i]ronically . . . a permanent credit costs no more than one that is regularly extended." And while I am a cosponsor of this amendment with a short term, 2-year extension because I fundamentally believe that the R&D tax credit is so imperative, I must also say that permanency of the tax credit remains a high priority for me. It is only in the permanency of the R&D tax credit that businesses can truly create a strategic business plan. As it stands, companies have to take into account the fact that Congress could allow the credit to lapse for a few months. That causes companies to hedge their bets, spending a little less on R&D, and our economy suffers as a result. By contract, permanency helps planning; and the sooner we make this permanent, the sooner companies can begin to enlarge and expand their research and development units, and the sooner their innovations will strengthen economic growth.

Who has created jobs in the last decade? Who has stimulated our economy to move forward? It is a lot of companies that have invested in R&D. It is the Microsofts. It is the Amazons. It is the variety of biotechnology companies from my state and others making investments that have increased the productivity of their workforce, allowing them to hire new people as new products and services are delivered.

The research credit creates jobs. More than 90 percent of the costs eligible for the credit are salaries and wages paid to researchers. The only way for a company to increase its credit is to increase its R&D payroll in the U.S.

First authorized in 1982, the credit has been reauthorized eight times, with a gap from June 1995 to June 1996. As I mentioned, the current credit expires in June 2004. However, its effectiveness is limited because businesses cannot rely on it in their long-term planning, and most R&D projects are long-term. In order to provide stability and broaden the reach of this proven incentive, Congress needs to make the credit permanent.

I cannot stress enough how important private investment in R&D is. R&D is the engine that brings us new medicines, new medical technologies, cleaner manufacturing technologies, advanced weapon systems and other tools in the war on terror. Furthermore, growth in our high tech economy depends on solid R&D, and there is no

good reason to delay making the credit permanent. A permanent tax credit will go a long way to providing the planners and investors the certainty that they need.

This amendment, having passed unanimously, shows the Senate's strong support for R&D. We have taken this one step forward; but let us not force these companies that serve as the engine for job creation to come back year after year for an extension of the R&D credit. Toward that end, I ask that we take this amendment one step further and make the research and development tax credit permanent.

Mr. ALEXANDER. Madam President, today I voted against the Dodd amendment for two important reasons. First, it is the wrong policy for growing jobs. And second, it tramples on the principle of federalism.

Nearly 150,000 Tennesseans are employed by foreign companies conducting business in Tennessee. As Governor, I helped attract some of those jobs and companies to our State—companies such as Nissan, Sharp, Bridgestone, Panasonic, and many others. The Dodd amendment could have denied them the ability to compete for government contracts. That's not right. If the Dodd amendment becomes law, it will discourage these foreign companies from investing in our country. In these times when we are trying so hard to grow new, high-paying jobs, the Dodd amendment is exactly the wrong policy.

Further, the Dodd amendment ignores the principle of federalism by limiting the States' options on granting contracts using Federal funds. The whole point in sending money to the States is that they know better than the Federal Government how to spend it to meet the needs of their citizens. As a former Governor, I know how frustrating it is to have the Federal Government tell you how you can or can't spend your money. Neither Tennessee nor any other State should have new burdens placed on how it spends federally granted funds.

Mr. SANTORUM. Madam President, I will offer an amendment to extend for 2 years the work opportunity and welfare to work tax credits, and to make certain improvements to these programs that will make them even more effective in helping Americans' transition from welfare to work along with other tax extenders. These credits clearly belong in a bill whose name is JOBS; I can think of few programs that have created jobs and provided basic workplace skills to a segment of the population that is badly in need of these resources with the efficiency and low cost of WOTC and W-t-W. I can also think of few jobs programs that have as positive an impact as these have on scarce state welfare resources. I am also pleased that Senator BAYH is joining me as a cosponsor of this bipartisan amendment. I would also like to thank Chairman GRASSLEY and Senator BAUCUS for their support of this important initiative.

WOTC and W-t-W are also key elements of welfare reform. Employers in the retail, health care, hotel, financial services, and food industries have incorporated this program into their hiring practices and through these programs, more than 2,700,000 previously dependent persons have found work.

A recent report issued by the New York State Department of Labor bears this out in economic terms. Comparing the cost of WOTC credits taken by New York State employers during the period 1996–2003, for a total of \$192.59 million, with savings achieved through closed welfare cases and reductions in vocational rehabilitation programs and jail spending, for a total of \$199.89 million, the State of New York concluded that WOTC provided net benefits to the taxpayers even without taking into account the additional economic benefits resulting from the addition of new wage to the GDP or reductions in other social spending such as Medicaid.

In that regard, the New York State analysis concluded that the roughly \$90 million in wages paid to WOTC workers since 1996 generated roughly \$225 million in increased economic activity. Perhaps even more importantly, the study found that roughly 58 percent of the TANF recipients who entered private sector employment with the assistance of WOTC stayed off welfare.

I mentioned the New York State study because it is the first of its kind; however, I am certain that similar conclusions would be reached in the Commonwealth of Pennsylvania or any of the other 48 states and the District of Columbia. These programs work and do so at a net savings to taxpayers. In fact, over a 7-year period there were more than 110,000 certifications for both WOTC and W-t-W in Pennsylvania alone enabling many to leave welfare and find private sector work. The legislation is supported by hundreds of employers throughout Pennsylvania and around the country.

WOTC and W-t-W have received high praise as well from the Federal Government. A 2001 GAO study concluded that employers have significantly changed their hiring practice because of WOTC by providing job mentors, longer training periods, and significant recruiting outreach efforts.

Mr. President, WOTC and W-t-W are not traditional government jobs programs. Instead, they are precisely the type of program that we should champion in a time when we need to be fiscally responsible. These are efficient and low cost public-private partnerships that have as their goal to provide a means by which individuals can transition from welfare to a lifetime of work and dignity.

Under present law, WOTC provides a 40 percent tax credit on the first \$6,000 of wages for those working at least 400 hours, or a partial credit of 25 percent for those working 120–399 hours. W-t-W provides a 35 percent tax credit on the first \$10,000 of wages for those working 400 hours in the first year. In the sec-

ond year, the W-t-W credit is 50 percent of the first \$10,000 of wages earned. WOTC and W-t-W are key elements of welfare reform. A growing number of employers use these programs in the retail, health care, hotel, financial services, food, and other industries. These programs have helped over 2,200,000 previously dependent persons to find jobs.

Eligibility for WOTC is currently limited to: (1) recipients of Temporary Assistance to Needy Families, TANF, in 9 of the 18 months ending on the hiring date; (2) individuals receiving Supplemental Security Income (SSI) benefits; (3) disabled individuals with vocational rehabilitation referrals; (4) veterans on food stamps; (5) individuals aged 18–24 in households receiving food stamp benefits; (6) qualified summer youth employees; (7) low-income ex-felons; and (8) individuals ages 18–24 living in empowerment zones or renewal communities. Eligibility for W-t-W is limited to individuals receiving welfare benefits for 18 consecutive months ending on the hiring date. More than 80 percent of WOTC and W-t-W hires were previously depending on public assistance programs. These credits are both a hiring incentive, offsetting some of the higher costs of recruiting, hiring, and retaining public assistance recipients and other low-skilled individuals, and retention incentive, providing a higher reward for those who stay longer on the job.

Program Renewal and Improvement. Despite the considerable success of WOTC and W-t-W many vulnerable individuals still need a boost in finding employment. This is particularly true during periods of high unemployment. There are several legislative changes that would strengthen these programs, expand employment opportunities for needy individuals, and make the programs more attractive to employers. These changes are reflected in legislation which I introduced along with Senator BAUCUS, S. 1180, and these changes are as follows: one combine WOTC and W-t-W. The administration's budget proposes to simplify these important employment incentives by combining them into one credit and making the rules for computing the combined credits simpler. The credits would be combined by creating a new welfare-to-work target group under WOTC. The minimum employment periods and credit rates for the first year of employment under the present work opportunity tax credit would apply to W-t-W employees. The maximum amount of eligible wages would continue to be \$10,000 for W-t-W employees and \$6,000 for other target groups \$3,000 for summer youth. I addition, the second year 50-percent credit under W-t-W would continue to be available for W-t-W employees under the modified WOTC; two, eliminate requirement to determine family income for ex-felons. Under current law, only those ex-felons whose annual family income is 70 percent or less than the Bureau of Labor

Statistics lower living standard during the six months preceding the hiring date are eligible for WOTC. The administration's budget also proposes to eliminate the family income attribution rule; three, raise the WOTC age eligibility ceiling from 24 to 39 years of age for members of food stamp households and "high-risk youth" living in enterprise zones for renewal communities. Current WOTC eligibility rules heavily favor the hiring of women because single mothers are much more likely to be on welfare or food stamps. Women constitute about 80 percent of those hired under the WOTC program, but men from welfare households face the same or even greater barriers to finding work. Increasing the age ceiling in the "food stamp category" would greatly improve the job prospects for many absentee fathers and other "at risk" males. This change would be completely consistent with program objectives because many food stamp households include adults who are not working, and more than 90 percent of those on food stamps live below the poverty line.

I am very pleased that President Bush proposed a 2-year extension for these programs in his budget, as well as some useful modifications and improvements. The administration along with all of us in Congress are eager to continue our efforts to create jobs in America. The amendment would provide for a 1-year extension of current law to facilitate a transition period and then in the second year implement these important changes. I would prefer a permanent extension which would provide these important programs with greater stability, thereby encouraging more employers to participate, make investments in expanding outreach to identify potential workers from the targeted groups, and avoid the wasteful disruption of termination and renewal. A permanent extension would also encourage the state job services to invest the resources needed to make the certification process more efficient and employer-friendly. Yet the cost is a significant consideration in the current budget environment even though this is an excellent use of tax incentives which ultimately saves government resources while expanding opportunity for Americans.

Finally, I would urge the Senate to act quickly on this amendment and on the underlying vehicle. WOTC and W-t-W expired at the end of last year, and even though the extension we propose is retroactive, these programs will not be fully effective until they become law. The individuals who enter the workforce under these programs, and our states, that benefit greatly from the reduction in welfare that these programs generate, deserve quick action by the Senate on this amendment. I urge all of my colleagues to support this amendment.

MORNING BUSINESS

Mr. THOMAS. Madam President, I ask unanimous consent that the Senate now proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

EULOGY FOR DANIEL BOORSTIN

Mr. STEVENS. Madam President, I ask unanimous consent that the attached eulogy be printed in the RECORD today. Dr. James H. Billington, Librarian of Congress, delivered this eulogy on Tuesday, March 2, 2004 at the funeral of Daniel Boorstin, who served as Librarian of Congress from 1975 to 1987. It also appeared in Rollcall yesterday.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HON. JAMES H. BILLINGTON, LIBRARIAN OF CONGRESS—EULOGY FOR LIBRARIAN OF CONGRESS EMERITUS DANIEL J. BOORSTIN, MARCH 2, 2004

Dan Boorstin was a great American: the inspirational head of two important national institutions; a key figure—along with his friends Dillon Ripley and Roger Stevens—in the cultural coming of age of our Nation's Capital; and a matchless chronicler of the uniqueness, the innovative spirit and the everyday practicality of our shared American experience.

He was an exuberant humanist who brought high literary style to a wide popular audience. He put things together when others were taking them apart. He kept history alive by telling it as his story at a time when many were dehumanizing it, first with ideological prejudice and then with methodological pomposity. He was an optimist but also a critic—providing us an early warning of the difference between real and pseudo events, between people who actually do things and manufactured celebrities who are simply well-known for being well-known.

He created in his two great trilogies an original American version of the tradition of sweeping, multivolume histories that flourished in England from Gibbon to Toynbee. His longtime friend and colleague Jaroslav Pelikan told me yesterday that Dan had given him crucial early advice and encouragement as Jary was embarking on his own monumental multivolume history.

It was fun to be with Dan in person and through his writings. He mixed erudition with epigrammatic wit and colorful vignettes. He could be contentious and even temperamental, but almost always in defense of someone or some institution to which he was loyal at a time when it was being unfairly maligned.

As Librarian of Congress he exemplified as well as encouraged the highest scholarly standards. At the same time, he threw open the big bronze doors to let in the widest possible readership. From the time of my own arrival in Washington to run the Wilson Center until the time I was chosen to succeed him at the Library, he was a very special example, helpmate and friend.

Plato said that immortality lies in one's children and one's books. Dan and his incomparable wife and effervescent editorial collaborator, Ruth, have opened both of those pathways to an undying legacy. His outstanding children have spoken today; and a great extended family of readers yet unborn will be benefitting from his books in the years to come.

He was a man of the book, a gift to America from the people of the book. His bibliography itself fills a book. He founded and was a benefactor to the Center for the Book within the world's greatest collection of books at the Library of Congress; and it now has—thanks to John Cole, whom he appointed to head it—affiliated Centers for the Book in all 50 states and the District of Columbia. Dan was concerned not just about illiteracy but also about alliteracy—a term he coined to describe those people who can read but have lost the will to do so. And he launched the plan and gained the congressional support to restore the Thomas Jefferson Building to its true glory as America's temple of the book.

When he was sworn in in November 1975 as the 12th Librarian of Congress in the Great Hall of that magnificent building, he spoke these prophetic words: "The computer can help us find what we know is there. But the book remains our symbol and our resource for the unimagined question and the unwelcome answer."

In his last years he crafted a second trilogy of books largely out of what he was fond of calling the "multimedia encyclopedia" that was and is the Library of Congress. He ended up in his personal note to readers in the last volume, *The Seekers*, asking a question that lay beyond all the unwelcome answers. Has Western man, he asked, emptied meaning from life by moving from seeking purposes to seeking causes—from deeply wondering why to simply asking how? Books and family gave meaning and purpose to the rich life of this man—as they do to the American culture that he loved and ennobled.

Marjorie and I—like so many of his fond admirers—will miss him and the infectious enthusiasm for learning that he miraculously sustained for nearly nine decades. We will always be grateful for the friendship and support that he and Ruth so generously and warmly extended to us and to the amazing institution in which we have been privileged to succeed him.

HONORING OUR ARMED FORCES

ADAM MOONEY AND PATRICK DORFF

Mrs. LINCOLN. Madam President, today I rise to pay tribute and to honor a young man who was recently killed in action in Iraq—1LT Adam G. Mooney, a soldier in the U.S. Army who was killed during a search and rescue mission on January 25. First Lieutenant Mooney was 28 years old.

Adam Mooney was a native of Cambridge, MD, assigned to the 3rd Squadron, 17th Cavalry, 10th Mountain Division of the U.S. Army, stationed at Fort Drum, NY. After graduating from high school in Dorchester County, MD, in 1993, Adam attended the University of Maryland Eastern Shore. He left college to enlist in the Army, but returned to the university soon after to complete his degree in aviation management science. Adam was a lifelong enthusiast of aviation and flying—in fact, he earned his pilot's license at about the same time he earned his driver's license. In the Army, Adam was able to further pursue the challenges of aviation while flying the OH-58 Kiowa Warrior helicopter. His unit was deployed to Iraq late last year, where Adam flew helicopter missions to provide support, security, and intelligence to ground troops.

On January 25, 1LT Adam Mooney was flying a rescue mission near Mosul, Iraq, in search of soldiers whose boat had capsized on the Tigris River. According to witnesses, Mooney's helicopter hit a power line and plummeted into the river. The bodies of both Mooney and his co-pilot, CWO Patrick Dorff, were missing in the aftermath of the crash—Dorff's body was found 4 days later, and Mooney's 3 weeks later. We extend our deepest sympathies to their families, who certainly suffered under great strain and emotional stress while they awaited news of their loved ones' welfare.

Adam Mooney's wife, Katie, lives with her parents in Conway, AR, where she moved to work on her nursing degree while her husband was serving overseas. Our deepest condolences and prayers go out to her, as well as to Adam's parents, friends, and loved ones, in this time of great loss for their family. Adam was a courageous young man, lost to us far too soon, but we remain confident that his sacrifice was in a noble and honorable cause.

Thank you, Madam President.

LOCAL LAW ENFORCEMENT ACT OF 2003

Mr. SMITH. Madam President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Enhancement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

A terrible crime occurred in Upland, CA, in December 1999. There, a man died after being hit in the head with a pool cue by an attacker who accused him of being gay.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

HAITI

Mr. LEAHY. Madam President, over the past week, we have all watched the images of killings, chaos, and looting in Haiti. I am sad for the Haitian people. Once again, their leaders and the international community have failed them, and the poorest and the most vulnerable are enduring the greatest suffering.

I am also deeply disappointed with the Bush administration. Over the past several years, this administration ignored the simmering problems in Haiti and hoped they would somehow resolve themselves. That approach obviously backfired. Things have spiraled out of control. We now have a full-blown crisis on our hands, accusations that the administration helped to engineer a

coup of President Aristide, and the deployment of thousands of U.S. Marines into a difficult situation. Bringing change to Haiti will now be a far more dangerous and costly undertaking. Moreover, the U.N. or some other impartial organization will have to conduct an investigation to answer nagging questions about Aristide's departure.

I recognize that many administration officials did not support President Aristide. I can understand that view, as I also lost confidence in him. There is no question that serious allegations of corruption and abuse surround President Aristide and his associates and that these issues should have been dealt with. President Aristide and other Haitian leaders should be held accountable for their actions. Having said that, we should not forget the courage that President Aristide displayed when he first spoke out against the excesses of the brutal and corrupt dictatorship of Jean-Claude Duvalier.

But this administration did not want to make the effort to help clean up the Haitian Government, build a reform-minded opposition, and restructure the economy.

Instead, the Bush administration simply disengaged. During his first year in office, President Bush reduced aid to Haiti by about 25 percent. Concerned with the growing problems in Haiti, Senator DODD and I sent a letter to USAID Administrator Andrew Natsios in February 2002, urging an overhaul of our foreign aid program to Haiti. The response to our letter was essentially: "Thanks for writing. We have a limited budget, but we will remain 'flexible' in our approach." The results of this flexible approach speak for themselves.

To be fair, USAID was under heady pressure to absorb activities that the State Department should have funded. USAID does not deserve the blame for an administration-wide policy failure.

During the last month, United States policy toward Haiti crystallized around the goal of getting rid of President Aristide. For all the administration's tough talk aimed at President Aristide, this White House has embraced corrupt leaders with far less democratic credentials than President Aristide when it has suited its purpose. This episode is yet another reminder of how the contradictory policies and rhetoric of this administration are damaging U.S. credibility around the world.

In some respects, President Aristide's departure begins a new chapter for Haiti. In other ways, it is not clear just how new it is. For the third time in 20 years, a Haitian leader has been forced into exile, and at least for the third time in 90 years, the U.S. military has intervened in Haiti.

What is to show for years of interventions and hundreds of millions of dollars in U.S. assistance? Haiti remains one of the poorest and most corrupt countries on Earth, facing a myriad of complex problems. Removing President

Aristide will not solve these entrenched problems, but it may provide a way forward.

The United States has compelling reasons to help. Haiti is just a few hundred miles away from our shores, and the social turmoil there could easily spread to the Dominican Republic, the Bahamas, and elsewhere in our neighborhood. The United States has a long relationship with Haiti and many Haitian Americans live in the United States. Perhaps most importantly, we have a moral responsibility to help a nation where so many have been suffering for so long.

The United States, France, and others must work with the United Nations, the Organization of American States to help fill the power vacuum in Port-au-Prince. The international community must also come up with a substantial aid package to help the Haitian people get back on their feet.

This will be a long, slow process. If we are to succeed in meeting the challenge of recovery and rebuilding in Haiti, the United States and the international community must stay engaged. Most of all, the Haitians themselves must take responsibility, especially the religious and political leaders. But we must take care not to overlook a key group that must be involved in this process—middle-class Haitians who have left the country over the past few decades.

As Garry Pierre-Pierre, editor in chief of the Haitian Times, points out in Monday's Wall Street Journal, involving Haiti's middle class is essential. He writes:

The international community has to bring the country's middle class not merely to the table, but back to Haiti. This middle class has been fleeing Haiti for the U.S., where it has consolidated itself, for the last 30 years. We should look to that group, the Haitian diaspora, educated at the best schools in the U.S. and Canada, to help lead the country out of its perpetual cycle of violence and misery.

I agree with Mr. Pierre-Pierre, and believe that the administration should heed his advice.

We have missed one opportunity after another in Haiti. It is time for us to make the most of this unfortunate situation.

I ask unanimous consent to print the above-referenced letters in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,

Washington, DC, February 15, 2002.

Hon. ANDREW NATSIOS,

Administrator, U.S. Agency for International Development, Washington, DC.

DEAR MR. NATSIOS: We are deeply concerned with the deteriorating humanitarian situation in Haiti. The political impasse between the Haitian Government and the political opposition has only made a serious situation more dire. As a matter of U.S. policy Haiti is being denied access to monies from the multilateral development banks until the government and opposition resolve their differences. For that reason, the humanitarian needs of Haiti must be met solely

from bilateral donations through non-governmental organizations such as CARE, Catholic Relief Services and World Vision.

Violence, poverty, and disease are rampant throughout Haiti. Since the United States is opposing access for Haiti to multilateral monies to address these problems, we believe the U.S. has a moral obligation to ensure, to the maximum extent feasible, that U.S. bilateral humanitarian assistance allocations be maintained at adequate levels. However, that does not appear to be the case. As you know annual USAID/Haiti allocations have been cut in half since FY1999 to \$50 million for the current fiscal year. Moreover, the Administration's FY 2003 request is only \$45 million. At these levels we are very skeptical that USAID will be able to continue many critical programs, including school feeding programs, public health programs for Haitian children ages 0 to 5, and AIDS treatment and prevention programs.

We strongly urge you to review the overall FY 2003 USAID budget to determine whether additional funds can be found for USAID FY 2003 programs in Haiti. Moreover, we do not support efforts to obligate FY 2002 Haiti monies for purposes other than humanitarian assistance programs.

Thank you for your attention to our concerns. We look forward to working with you in addressing the humanitarian needs of Haiti's seven million people.

Sincerely yours,

PATRICK J. LEAHY,
CHRISTOPHER J. DODD,
U.S. Senators.

U.S. AGENCY FOR
INTERNATIONAL DEVELOPMENT,
Washington, DC, April 2, 2002.

Hon. PATRICK J. LEAHY,

U.S. Senate,

Washington, DC.

DEAR SENATOR LEAHY: Mr. Natsios has asked me to respond to your letter of February 15, 2002, concerning the current situation in Haiti and declining U.S. assistance levels. We regret the delay in responding.

We share your concern about deteriorating conditions in Haiti, and are doing our best to help ease the situation within the constraints of current budget realities. Since September 11, 2001, worldwide pressures on overall resources limit our ability to maintain prior year levels for Haiti. We have made up most of the difference using Development Assistance and the Child Survival and Health Programs fund; however, these accounts are heavily subscribed.

Our programs will continue to have a meaningful impact in Haiti through the provision of primarily humanitarian assistance. Approximately 80 percent of the FY 2002 budget and FY 2003 request will go toward health, food aid, and education activities. These programs will still provide health and family planning services to approximately 2.7 million Haitians—mostly women and children—including HIV/AIDS prevention. They will also target food resources in Haiti to children under five and pregnant/lactating women, and will continue to make marked improvements in math and reading achievement test scores for 150,000 Haitian children.

In closing, we are watching the situation very closely and remain flexible on funding options for FY 2002. We welcome a continuing dialogue with Congress on appropriate assistance levels for Haiti as events unfold.

Thank you for bringing this matter to our attention. Please let us know when this office can be of further assistance.

Sincerely,

J. EDWARD FOX,
Assistant Administrator,
Bureau for Legislative and Public Affairs.

ARKANSAS BLACK ON BLACK CRIME COALITION

Mrs. LINCOLN. Madam President, I rise today to pay tribute to a group of Arkansans who are demonstrating true leadership and commitment in facing down one of the gravest problems facing African-American communities today—black on black crime.

Many people are unaware of the extent of black on black crime. Consider: African-Americans constitute 12 percent of the U.S. population. But in 2002, 45 percent of all murder victims nationwide were black. Of those murders, fully 91 percent were incidents of black on black crime. For young black men, homicide is the leading cause of death; for young black women, the second leading cause of death.

It's clear that we need to address this epidemic. The good news is that, in Arkansas, we're trying to do just that. Last year, a group of community leaders, business leaders, government officials, and religious leaders banded together to form the "Black On Black Crime Coalition," dedicated to raising public awareness of this important issue and developing solutions to mitigate this epidemic of crime and violence that is destroying lives, families, and communities every day. The coalition is just over one year old, and I'm proud to say that they are making great progress in developing new solutions, programs and plans to reduce the incidence of violent crime in the black community. These range from community workshops to neighborhood associations, from youth programs to public awareness campaigns.

The coalition is working with government leaders and law enforcement officials to develop fresh, innovative solutions to the problem of black on black crime. I've worked with the coalition as a partner, and I've been impressed with the energy, seriousness, and dedication that members of the coalition display. Given the commitment I've seen so far, I'm confident that we will see outstanding results from this vital organization. Even if we can't completely eliminate black on black crime, we can significantly reduce their frequency. That will be good news for all of our communities.

We recently observed "Black On Black Crime Prevention Month" to mark the coalition's founding in Arkansas and to continue raising public awareness about this epidemic of violent crime. I thank them for their commitment, and I ask that my colleagues join me in recognizing their leadership. It's been a great year, and I look forward to working with the Black On Black Crime Coalition for many years to come.

NATIONAL PEACE CORPS WEEK— MARCH 1-7, 2004

Mr. COLEMAN. Madam President, this week is National Peace Corps Week. It is with great pleasure that I

send my congratulations to the Peace Corps volunteers serving throughout the world as we celebrate the Peace Corps' 43 years of service.

Forty-three years ago, President John F. Kennedy mobilized a generation to work in emerging nations around the world in education, community development, agriculture, health care, and public works.

Since 1961, over 170,000 Americans have volunteered their expertise, time, and energy to foster development and progress in 136 countries. There is no greater symbol of America's generosity than American volunteers living and working in partnership with the people of developing nations to encourage education and opportunity.

Currently, over 7,500 volunteers are serving in 71 countries around the world—the highest number of volunteers in the field in 28 years—and applications have risen by 10 percent. Last year, Peace Corps entered or re-entered Albania, Azerbaijan, Chad, and Fiji, and many other countries have expressed interest in establishing a partnership with Peace Corps. I strongly support Peace Corps entry into Mexico for the first time.

It is my deepest hope that we continue to recognize and support the Peace Corps' important work. By honoring the Peace Corps, we reaffirm our Nation's commitment to strengthen freedom and create opportunities around the world.

President Bush has announced a goal of doubling the number of Peace Corps volunteers over 5 years. I support this effort and the President's budget request for the Peace Corps. As chairman of the Subcommittee on Western Hemisphere, Peace Corps, and Narcotics Affairs, it is my objective to help the Peace Corps become not only bigger, but also better and safer. The well-being of the volunteer must remain the top priority of the Corps. I believe the Peace Corps must have the resources it needs to ensure volunteer safety. I also believe the Peace Corps should continue efforts to diversify its volunteers. We need to bring into the Corps more older volunteers, and more minorities. Only then can be the Peace Corps truly represent the face of America's melting pot.

The Peace Corps is part of Minnesota's heritage—over 5,000 Minnesotans have served as volunteers. And while the Peace Corps has been rightly associated with John F. Kennedy, it was Minnesota Senator Hubert Humphrey who proposed the idea in the 1950s.

I am very happy to join with Peace Corps volunteers, past and present, to celebrate National Peace Corps Week—March 1-7, 2004.

TRIBUTE TO CAPTAIN HENRY "HANK" W. PUTEK, SR., USNR

Mr. WARNER. Madam President, today at Arlington National Cemetery we laid to rest a great patriot to whom

I am proud to pay tribute. Captain Henry "Hank" W. Putek, Sr., USN, was a naval aviator whose lifelong love of flying led to a 27 year Navy career that spanned the cold war and included service in Korea and Vietnam. It is my solemn honor today to recall his selfless commitment to this great Nation.

A pilot from the age of 14, Captain Putek obtained a commission in the U.S. Navy in 1953 through the Naval Aviation Cadet program. His distinguished career in naval aviation began with flight training in Pensacola, FL where he earned the coveted "wings of gold" of a naval aviator. He went on to fly combat jets in Korea and Vietnam, including the F-9 Fury, Douglas Skyraider, and F-4 Phantom. He served in numerous aircraft carriers with such storied names as *Lexington*, *Wasp*, *Yorktown*, *Hornet*, and *Saratoga*. In the race for space, Captain Putek was a project engineer for various research and development efforts and piloted tracking aircraft during the Gemini program. Captain Putek was a Navy test pilot who accumulated an astonishing 7,600 hours in 22 types of military aircraft throughout his career.

In 1977, Captain Putek retired from the United States Navy but continued to pursue his love for aviation as a training director with Piper Aircraft Corporation. He qualified in 22 Piper models and types. He was well known in his hometown as the owner of a bright orange "Davis" single engine aircraft, his pride and joy, which he built by hand.

Captain Putek is survived by his wife of 47 years, Mary Louis Putek, his sons, Hank and Jon, his daughters, Gwen and Janet, his sister, Dolores, and his brother, James. He was a loving husband and father, a passionate aviator, and a true gentleman.

ADDITIONAL STATEMENTS

MARCH ON FRANKFORT, KY

• Mr. BUNNING. Madam President I would like to take the opportunity to recognize Rev. Thurmond Coleman and 200 others who participated in the commemorative 1964 march to the Kentucky State Capital in Frankfort, KY.

Forty years ago, Reverend Coleman drove from Louisville to Frankfort with his five children to join the 1964 civil rights march of 10,000 people led by Dr. Martin Luther King, Jr. and the great baseball star, Jackie Robinson. That march helped push Kentucky to become the first southern State to pass civil rights legislation.

The march and ceremony marked those early efforts and celebrated how far Kentucky has come in the last 40 years. Coleman was among those present yesterday who participated in the commemorative 1964 march and recalled the advances that were made in ensuing years. He is also a member of the Kentucky Commission on Human Rights, and has been an advocate for Kentucky's civil rights for many years.

I commend the efforts of Reverend Coleman and the other Kentuckians who coordinated the march on Frankfort, and hope that Kentucky continues to strive for equal rights for all of its citizens.●

RECOGNITION OF MORIAH KATHERINE NACHBAUR

● Mrs. BOXER. Madam President, I bring to the Senate's attention an exceptional and talented student, Moriah Katherine Nachbaur, 17, of Crystal Springs Uplands School in Redwood City, CA. Moriah is the daughter of Dr. Thomas and Susan Nachbaur.

Moriah Nachbaur was recently named a California finalist in the 2004 Intel Science Talent Search for her botany project. The Intel Science Board Talent Search recognizes and rewards America's brightest young minds for their achievements in science and math. Over 1,600 students applied nationwide for the 2004 Intel Science Talent Search, and the field has been narrowed to 40 finalists. A grand prize winner will be selected on March 16th in Washington, DC. I am proud that my State of California has three finalists.

At Crystal Springs Uplands School, Moriah plays varsity badminton. She is a classical pianist and an award winning photographer and poet. Moriah is an outstanding student who has earned many science honors.

California is proud of Moriah Nachbaur and I am pleased to recognize her outstanding accomplishment. I wish her the best of luck at the final awards event and continued success in her education.●

HONORING SANDY ASHWORTH AND THE BOUNDARY COUNTY LIBRARY

● Mr. CRAPO. Madam President, I rise today to honor Sandy Ashworth who was recently nominated by President Bush to serve on the National Commission on Libraries and Information Science, NCLIS, and confirmed by the Senate on January 26, 2004. In her capacity as a Commissioner, Sandy will provide advice to the President, Congress, and other policy makers on the library and information needs of the nation and the policies and plans necessary to meet those needs. Sandy's skills and experience will serve her well as she helps to shape the policy of the nation in this important area.

As 1 of only 12 appointees, Sandy's confirmation to the Commission is quite an honor. I know from first-hand experience that this recognition is well deserved. Sandy runs the Boundary County Library in Bonners Ferry, a facility I was pleased to visit recently. Each of the four full time and six part-time staff members are bringing neighbors and families together, promoting literacy, and providing educational and cultural resources to many who might not have them otherwise. Sandy has created a model library that provides an impressive range of services to sev-

eral rural communities. Her excellence is well-known, and recognition of her work has preceded this nomination. In 2002, First Lady Laura Bush presented the library with one of the prestigious Institute of Museum and Library Services' National Awards for Museum and Library Service. In 2003, Sandy was also named one of "Idaho's Brightest Stars," an award given to those who make a difference in the lives of children and families.

Truly, Sandy is one who has made a difference. She has worked diligently and with great effect for the citizens of Boundary County. I am certain she will bring the same energy to her new post and continue to have a positive impact as she represents Idaho in the NCLIS. Today, I join with her coworkers, family, and friends in honoring her contributions to the State of Idaho.●

RECOGNITION OF ARJUN ANAND SURI

● Mrs. Boxer. Madam President, today I bring to the Senate's attention an exceptional and talented student, Arjun Anand Suri, 17, of Clovis West High School in Fresno, CA. Arjun is the son of Doctors Madhav and Anuradha Suri.

Arjun Suri was recently named a California finalist in the 2004 Intel Science Talent Search for his biochemistry project. The Intel Science Talent search recognizes and rewards America's brightest young minds for their achievements in science and math. Over 1,600 students applied nationwide for the 2004 Intel Science Talent Search, and the field has been narrowed to 40 finalists. A grand prize winner will be selected on March 16 in Washington, DC. I am proud that my State of California has three finalists.

At Clovis West High School, Arjun is on the varsity tennis team, is captain of the academic decathlon team, vice president of his class and president of the Indian-Pakistani Club. Arjun is an excellent student who has earned perfect SAT scores and has many awards in science, math, history and writing. Arjun also finds time to volunteer in his community as an emergency room volunteer. I applaud his dedication to his studies and to his community.

California is proud of Arjun Suri, and I am pleased to recognize his outstanding accomplishment. I wish him the best of luck at the final awards event and continued success in his education.●

RECOGNIZING THE WORK OF DR. LANDRUM R. BOLLING

● Mr. LUGAR. Madam President, I rise today to share with my colleagues a few highlights from the remarkable lifetime of leadership and humanitarianism displayed by Dr. Landrum Bolling, former president of Earlham College.

From 1958 to 1973, Dr. Bolling led both the students and the faculty of Earlham College in numerous inter-

disciplinary programs grounded in peace, justice, equality, simplicity, and consensus decisionmaking. His vast personal experience with foreign cultures and religions facilitates his teaching of international studies and humanitarianism.

Currently, at the age of 90, Dr. Bolling serves as director-at-large of Mercy Corps, a not-for-profit organization that exists to alleviate suffering, poverty, and oppression by helping people build secure, productive, and just communities. Through his active involvement with Mercy Corps, he has once again joined forces with Earlham College to form the Landrum Bolling Fellowships in International Service program. The Landrum Bolling Fellowships provide qualified Earlham graduates with the opportunity to participate, on many levels, with Mercy Corps' tremendous humanitarian relief and development programs. It is certainly an opportunity for the students to apply, internationally, the concepts they have previously studied at Earlham College.

Dr. Bolling has dedicated his life to both academia and public service, and I am pleased to have this opportunity to congratulate him on his many worthwhile accomplishments.●

RECOGNITION OF PHILLIP THOMAS DEUTSCH

● Mrs. BOXER. Madam President, today I bring to the Senate's attention an exceptional and talented student, Phillip Thomas Deutsch, 17, of La Canada High School in La Canada, CA. Phillip is the son of Doctors Andrew Deutsch and Jeanne Wallace.

Phillip Deutsch was recently named a California finalist in the 2004 Intel Science Talent Search for his chemistry project. The Intel Science Talent Search recognizes and rewards America's brightest young minds for their achievements in science and math. Over 1,600 students applied nationwide for the 2004 Intel Science Talent Search, and the field has been narrowed to 40 finalists. A grant prize winner will be selected on March 16 in Washington, DC. I am proud that my state of California has three finalists.

At La Canada High School, Phillip is an outstanding student. He plays in the flute choir and the concert and marching bands. Phillip was also a semi-finalist for both the U.S. Chemistry and Physics Olympiad Teams in 2003.

Californians are proud of Phillip Deutsch, and I am pleased to recognize his outstanding accomplishment. I wish him the best of luck at the final awards event and continued success in his education.●

TEXT OF A PROPOSED PROTOCOL AMENDING THE AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA CONCERNING PEACEFUL USES OF NUCLEAR ENERGY—PM 70

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit to the Congress, consistent with sections 123 b. and 123 d. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(b), (d)) (the "Act"), the text of a proposed Protocol Amending the Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Indonesia Concerning Peaceful Uses of Nuclear Energy, signed at Washington on June 30, 1980. I also transmit my written approval, authorization, and determination concerning the Protocol, and an unclassified Nuclear Proliferation Assessment Statement (NPAS) concerning the Protocol. (Consistent with section 123 of the Act, as amended by title XII of the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105-277), a classified Annex to the NPAS, prepared by the Secretary of State in consultation with the Director of Central Intelligence, summarizing relevant classified information, will be submitted to the Congress separately.) The joint memorandum submitted to me by the Secretary of State and the Secretary of Energy and a letter from the Chairman of the Nuclear Regulatory Commission stating the views of the Commission are also enclosed.

I am advised that the proposed Protocol has been negotiated consistent with the Act and other applicable law and that it meets all statutory requirements. This Protocol will advance the nonproliferation and other foreign policy interests of the United States.

The Protocol amends the Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Indonesia Concerning Peaceful Uses of Nuclear Energy in two respects:

1. It extends the Agreement, which expired by its terms on December 30, 2001, until December 30, 2031, with effect from the former date; and

2. It updates certain provisions of the Agreement relating to the physical protection of nuclear material subject to the Agreement.

As amended by the proposed Protocol, the Agreement will continue to meet all requirements of U.S. law.

Indonesia is a party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and has an agreement with

the IAEA for the application of full-scope safeguards to its nuclear program. It was also among the early sponsors of, and is a current party to, the Southeast Asia Nuclear Weapons Free Zone. The United States and Indonesia have had a long and positive history of cooperation in the peaceful uses of nuclear energy, with our earliest agreement for this purpose dating back to 1960.

I have considered the views and recommendations of the interested agencies in reviewing the proposed Protocol and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the Protocol and authorized its execution and urge that the Congress give it favorable consideration.

This transmission shall constitute a submittal for purposes of both sections 123 b. and 123 d. of the Atomic Energy Act. My Administration is prepared to begin immediately the consultations with the Senate Foreign Relations Committee and House International Relations Committee consistent with section 123 b. Upon completion of the 30-day continuous session period provided for in section 123 b., the 60-day continuous session period provided for in section 123 d. shall commence.

GEORGE W. BUSH,
THE WHITE HOUSE, March 4, 2004.

MESSAGE FROM THE HOUSE

At 11:01 a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 912. An act to authorize the Administrator of the National Aeronautics and Space Administration to establish an awards program in honor of Charles "Pete" Conrad, astronaut and space scientist, for recognizing the discoveries made by amateur astronomers of asteroids with near-Earth orbit trajectories.

H.R. 1417. An act to amend title 17, United States Code, to replace copyright arbitration royalty panels with a Copyright Royalty Judge, and for other purposes.

H.R. 1561. An act to amend title 35, United States Code, with respect to patent fees, and for other purposes.

H.R. 3389. An act to amend the Stevenson-Wylder Technology Innovation Act of 1980 to permit Malcolm Baldrige National Quality Awards to be made to nonprofit organizations.

The message also announced that the House has passed the following bill, without amendment:

S. 2136. An act to extend the final report date and termination date of the National Commission on Terrorist Attacks Upon the United States, to provide additional funding for the Commission, and for other purposes.

ENROLLED BILL SIGNED

At 5:03 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks,

announced that the Speaker has signed the following enrolled bill:

S. 2136. An act to extend the final report date and termination date of the National Commission on Terrorist Attacks Upon the United States, to provide additional funding for the Commission, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore (Mr. STEVENS).

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 912. An act to authorize the Administrator of the National Aeronautics and Space Administration to establish an awards program in honor of Charles "Pete" Conrad, astronaut and space scientists, for recognizing the discoveries made by amateur astronomers of asteroids with near-Earth orbit trajectories; to the Committee on Commerce, Science, and Transportation.

H.R. 1417. To amend title 17, United States Code, to replace copyright arbitration royalty panels with Copyright Royalty Judges; to the Committee on the Judiciary.

H.R. 1561. An act to amend title 35, United States Code, with respect to patent fees, and for other purposes; to the Committee on the Judiciary.

H.R. 3389. An act to amend the Stevenson-Wylder Technology Innovation Act of 1980 to permit Malcolm Baldrige National Quality Awards to be made to nonprofit organizations; to the Committee on Commerce, Science, and Transportation.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH for the Committee on the Judiciary.

Raymond W. Gruender, of Missouri, to be United States Circuit Judge for the Eighth Circuit.

Franklin S. Van Antwerpen, of Pennsylvania, to be United States Circuit Judge for the Third Circuit.

F. Dennis Saylor IV, of Massachusetts, to be United States District Judge for the District of Massachusetts.

Sandra L. Townes, of New York, to be United States District Judge for the Eastern District of New York.

Kenneth M. Karas, of New York, to be United States District Judge for the Southern District of New York.

Judith C. Herrera, of New Mexico, to be United States District Judge for the District of New Mexico.

Louis Guirola, Jr., of Mississippi, to be United States District Judge for the Southern District of Mississippi.

Virginia E. Hopkins, of Alabama, to be United States District Judge for the Northern District of Alabama.

Ricardo S. Martinez, of Washington, to be United States District Judge for the Western District of Washington.

Neil Vincent Wake, of Arizona, to be United States District Judge for the District of Arizona.

Gene E. K. Pratter, of Pennsylvania, to be United States District Judge for the Eastern District of Pennsylvania.

William S. Duffey, Jr., of Georgia, to be United States District Judge for the Northern District of Georgia.

Michele M. Leonhart, of California, to be Deputy Administrator of Drug Enforcement.

Domingo S. Herraiz, of Ohio, to be Director of the Bureau of Justice Assistance.

LaFayette Collins, of Texas, to be United States Marshal for the Western District of Texas for the term of four years.

Ronald J. Tenpas, of Illinois, to be United States Attorney for the Southern District of Illinois for a term of four years.

(Nominations without an asterisk were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. DURBIN (for himself, Mrs. LINCOLN, Mr. CARPER, and Mr. PRYOR):

S. 2163. A bill to establish a national health program administered by the Office of Personnel Management to offer health benefits plans to individuals who are not Federal employees, and for other purposes; to the Committee on Finance.

By Mr. REID:

S. 2164. A bill to amend the Elementary and Secondary Education Act of 1965 to authorize local educational agencies in rural areas to obtain a limited waiver of certain requirements relating to the employment of highly qualified teachers; to the Committee on Health, Education, Labor, and Pensions.

By Mr. REED (for himself, Mr. HAGEL, Mr. MCCAIN, Mr. AKAKA, Mr. NELSON of Florida, and Mrs. CLINTON):

S. 2165. A bill to specify the end strength for active duty personnel of the Army as of September 30, 2005; to the Committee on Armed Services.

By Mrs. BOXER (for herself, Ms. SNOWE, Mrs. MURRAY, Ms. COLLINS, Mrs. CLINTON, Mrs. FEINSTEIN, and Ms. CANTWELL):

S. 2166. A bill to amend title 10, United States Code, to exempt abortions of pregnancies in cases of rape and incest from a limitation on use of Department of Defense funds; to the Committee on Armed Services.

By Ms. CANTWELL (for herself, Mr. SMITH, Mrs. MURRAY, and Mr. WYDEN):

S. 2167. A bill to establish the Lewis and Clark National Historical Park in the States of Washington and Oregon, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. REED (for himself, Mr. CORNYN, and Mr. LEAHY):

S. 2168. A bill to extend the same Federal benefits to law enforcement officers serving private institutions of higher education and rail carriers, that apply to law enforcement officers serving units of State and local government; to the Committee on the Judiciary.

By Mr. GRAHAM of Florida (for himself and Mr. NELSON of Florida):

S. 2169. A bill to modify certain water resources projects for the Apalachicola, Chattahoochee, and Flint Rivers, Georgia, Florida, and Alabama; to the Committee on Environment and Public Works.

By Mrs. HUTCHISON:

S. 2170. A bill to establish the Weather Modification Operations and Research Board and outline its duties and responsibilities; to the Committee on Commerce, Science, and Transportation.

By Mrs. BOXER:

S. 2171. A bill to establish a first responder and terrorism preparedness grant information hotline, and for other purposes; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. CAMPBELL (for himself, Mr. LEAHY, Mr. HATCH, and Mr. ALLARD):
S. Res. 310. A resolution commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives while serving as law enforcement officers; to the Committee on the Judiciary.

By Mr. BROWNBACK:

S. Res. 311. A resolution calling on the Government of the Socialist Republic of Vietnam to immediately and unconditionally release Father Thadeus Nguyen Van Ly, and for other purposes; to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS

S. 161

At the request of Mr. HOLLINGS, the name of the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 161, a bill to amend the Communications Act of 1934 to require that violent video programming is limited to broadcast after the hours when children are reasonably likely to comprise a substantial portion of the audience, unless it is specifically rated on the basis of its violent content so that it is blockable by electronic means specifically on the basis of that content.

S. 473

At the request of Mr. FEINGOLD, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 473, a bill to amend the Federal Water Pollution Control Act to clarify the jurisdiction of the United States over waters of the United States.

S. 480

At the request of Mr. HARKIN, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. 480, a bill to provide competitive grants for training court reporters and closed captioners to meet requirements for realtime writers under the Telecommunications Act of 1996, and for other purposes.

S. 683

At the request of Mr. FEINGOLD, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 683, a bill to amend the Family and Medical Leave Act of 1993 to provide entitlement to leave to eligible employees whose spouse, son, daughter, or parent is a member of the Armed Forces serving on active duty in support of a contingency operation or notified of an impending call or order to active duty in support of a contingency operation.

S. 784

At the request of Mr. MCCAIN, the name of the Senator from Arizona (Mr. KYL) was added as a cosponsor of S. 784, a bill to revise the boundary of the Petrified Forest National Park in the State of Arizona, and for other purposes.

S. 874

At the request of Mr. TALENT, the name of the Senator from Illinois (Mr.

FITZGERALD) was added as a cosponsor of S. 874, a bill to amend title XIX of the Social Security Act to include primary and secondary preventative medical strategies for children and adults with Sickle Cell Disease as medical assistance under the medicaid program, and for other purposes.

S. 1180

At the request of Mr. SANTORUM, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S. 1180, a bill to amend the Internal Revenue Code of 1986 to modify the work opportunity credit and the welfare-to-work credit.

S. 1452

At the request of Mr. DODD, the names of the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors of S. 1452, a bill to amend the Immigration and Nationality Act with respect to the H-1B and L-1 visa programs to prevent unintended United States job losses, to increase the monitoring and enforcement authority of the Secretary of Labor over such programs, and for other purposes.

S. 1630

At the request of Mrs. DOLE, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of S. 1630, a bill to facilitate nationwide availability of 2-1-1 telephone service for information and referral services, and for other purposes.

S. 1645

At the request of Mr. CRAIG, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 1645, a bill to provide for the adjustment of status of certain foreign agricultural workers, to amend the Immigration and Nationality Act to reform the H-2A worker program under that Act, to provide a stable, legal agricultural workforce, to extend basic legal protections and better working conditions to more workers, and for other purposes.

S. 1949

At the request of Mr. BIDEN, the names of the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from Wisconsin (Mr. FEINGOLD) were added as cosponsors of S. 1949, a bill to establish The Return of Talent Program to allow aliens who are legally present in the United States to return temporarily to the country of citizenship of the alien if that country is engaged in post-conflict reconstruction, and for other purposes.

S. 2088

At the request of Mr. LEVIN, his name was added as a cosponsor of S. 2088, a bill to restore, reaffirm, and reconcile legal rights and remedies under civil rights statutes.

S. 2099

At the request of Mr. MILLER, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2099, a bill to amend title 38,

United States Code, to provide entitlement to educational assistance under the Montgomery GI Bill for members of the Selected Reserve who aggregate more than 2 years of active duty service in any five year period, and for other purposes.

S. 2100

At the request of Mr. MILLER, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2100, a bill to amend title 10, United States Code, to increase the amounts of educational assistance for members of the Selected Reserve, and for other purposes.

S. 2157

At the request of Mr. BAUCUS, the names of the Senator from South Dakota (Mr. DASCHLE) and the Senator from Maryland (Ms. MIKULSKI) were added as cosponsors of S. 2157, a bill to amend the Trade Act of 1974 to extend the trade adjustment assistance program to the services sector, and for other purposes.

S. 2158

At the request of Ms. COLLINS, the names of the Senator from Oregon (Mr. WYDEN) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 2158, a bill to amend the Public Health Service Act to increase the supply of pancreatic islet cells for research, and to provide for better coordination of Federal efforts and information on islet cell transplantation.

S.J. RES. 28

At the request of Mr. CAMPBELL, the names of the Senator from Rhode Island (Mr. CHAFEE), the Senator from Minnesota (Mr. COLEMAN), the Senator from New Mexico (Mr. DOMENICI), the Senator from New Hampshire (Mr. GREGG) and the Senator from Indiana (Mr. BAYH) were added as cosponsors of S.J. Res. 28, a joint resolution recognizing the 60th anniversary of the Allied landing at Normandy during World War II.

S. CON. RES. 8

At the request of Ms. COLLINS, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. Con. Res. 8, a concurrent resolution designating the second week in May each year as "National Visiting Nurse Association Week".

S. CON. RES. 81

At the request of Mrs. FEINSTEIN, the names of the Senator from Oregon (Mr. WYDEN), the Senator from New York (Mr. SCHUMER), the Senator from New York (Mrs. CLINTON) and the Senator from New Hampshire (Mr. GREGG) were added as cosponsors of S. Con. Res. 81, a concurrent resolution expressing the deep concern of Congress regarding the failure of the Islamic Republic of Iran to adhere to its obligations under a safeguards agreement with the International Atomic Energy Agency and the engagement by Iran in activities that appear to be designed to develop nuclear weapons.

S. RES. 299

At the request of Mr. CAMPBELL, the names of the Senator from Massachu-

setts (Mr. KERRY) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. Res. 299, a resolution recognizing, and supporting efforts to enhance the public awareness of, the social problem of child abuse and neglect.

AMENDMENT NO. 2642

At the request of Mrs. LINCOLN, the names of the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. BREAUX) and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of amendment No. 2642 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2643

At the request of Mrs. LINCOLN, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of amendment No. 2643 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2663

At the request of Ms. CANTWELL, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of amendment No. 2663 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2671

At the request of Mr. SMITH, the names of the Senator from West Virginia (Mr. ROCKEFELLER) and the Senator from Missouri (Mr. BOND) were added as cosponsors of amendment No. 2671 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

STATEMENTS OF INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURBIN (for himself, Mrs. LINCOLN, Mr. CARPER, and Mr. PRYOR):

S. 2163. A bill to establish a national health program administered by the Office of Personnel Management to offer health benefits plans to individ-

uals who are not Federal employees, and for other purposes; to the Committee on Finance.

Mr. DURBIN. Mr. President, today I am introducing legislation along with my colleague, Senator BLANCHE LINCOLN, which will help small businesses struggling to make health insurance available to their employees.

Health insurance premiums have risen as much as six times the rate of inflation in the past decade. Last year they rose by 13.9 percent, the fourth consecutive year of double-digit increases. Some small businesses in Illinois are facing increases as high as 40 percent annually.

According to a survey conducted by Mercer Consulting, worker health care costs have overtaken taxes as the biggest concern among small business owners; and two-thirds of them are shopping for a new health plan every year in an effort to save money.

The Conference Board, an executive research firm, conducts an annual survey of 120 CEOs. One of the questions they ask is how big an obstacle health care costs are in hiring new workers. This year, 78 percent said it was an obstacle, 35 percent said it was a major obstacle.

Health care costs are hurting small businesses, workers and the economy; and fixing this problem should be a national priority.

There are two main problems for small businesses in obtaining affordable insurance. First, there aren't many insurers offering affordable products to small groups. Many small businesses only have access to one insurer in their area, which make it hard to comparison shop. The second problem is that because of their limited size, small business don't have the purchasing or negotiating power of a big company.

The Small Employers Health Benefits Program Act of 2004 (SEHBP) will address both of these problems while maintaining insurance solvency and benefit standards.

Our bill will create a program based on the successful Federal Employees Health Benefits Program or "FEHBP," which offers Federal employees a range of private sector options at affordable prices. This new program would draw from FEHBP's strengths: plan choice, group purchasing savings, comprehensive benefits, low administrative costs and nationwide availability.

The Office of Personnel Management (OPM), which has forty years of experience running FEHBP, would set up a separate SEHBP national purchasing pool open to businesses with 100 employees or less. OPM would annually negotiate benefit packages with private health insurers interested in offering an insurance plan through the SEHBP program. OPM would send out summaries of health plans available to all participating and interested employers during an annual open enrollment season. Plan guides would include a description of each plan offered and

the associated costs, as well as results of a customer satisfaction survey of the plans.

Each employee would choose a plan right for them and enroll directly with the health insurer. To help defray costs for the employers and encourage them to offer insurance to low-income employees, employers would receive an annual refundable tax credit if they agree to pay at least 60 percent of the insurance premium. The tax credit would be equal to 25 percent of the employer contribution for self-only policies, 30 percent for policies covering married couples with no dependents, and 35 percent for family policies, for workers making up to \$25,000 per year.

There would also be a refundable 10 percent bonus tax credit for those employers who enroll in the first year and an additional bonus to employers who cover more than 60 percent of the premium. The bonus would be equivalent to a 5 percent add-on per additional 10 percent of premium covered. So, if an employer covers 70 percent, the employer would receive an additional 5 percent tax credit. If they cover 80 percent of the premium, they would get an additional 10 percent tax credit.

All self-employed persons and employees in small businesses of 100 employees or less would be eligible to enroll in SEHBP health plans. OPM would have the authority to grant waivers to businesses with more than 100 employees.

One of the few differences from FEHBP is that SEHBP plans would be allowed to vary premiums by age, so that younger enrollees would be more likely to enroll. The more young healthy people join the program, the lower the premiums will be for everyone.

SEHBP health plans would not be allowed to impose any preexisting condition exclusions on new SEHBP enrollees who have at least one year of health insurance coverage immediately prior to enrollment in an SEHBP plan. However, to prevent people from waiting until they get sick to enroll, health plans would be allowed to exclude coverage for known preexisting conditions for up to one year for people without coverage immediately prior to enrollment, while covering costs associated with new conditions.

Mr. President, Secretary Tommy Thompson of the Department of Health and Human Services said yesterday that people without health insurance in this country get health care. I disagree. There are millions of Americans forgoing care because they don't have access to affordable health care. Additionally, small businesses are forgoing hiring because of the cost of offering health care to new employees. These problems can and should be solved and I believe this legislation could open the door for many Americans to obtain good health insurance coverage.

SEHBP would provide small employers a way to offer their workers an array of health insurance options at a

group discounted rate. With a limited administrative effort and a refundable tax credit, employers would be able to participate in a health insurance program that offers greater affordability, access and choice without compromising benefit and solvency standards. I yield the floor.

Mrs. LINCOLN. Madam President, I rise today with my colleague, Senator DURBIN, to introduce the Small Employer Health Benefits Program Act of 2004.

This legislation seeks to address an enormous problem facing small businesses in Arkansas and all across the country: accessibility and affordability of health insurance. I have talked with many small business owners in Arkansas who have been forced to drop or dramatically reduce health insurance for their employees even though they desperately want to offer it. Small employers say that offering health insurance has a positive impact on recruitment, retention, employee attitude, performance, health status, and the overall success of the business. What better way to get our economy going again than to help small businesses succeed?

Small businesses are the number one source for jobs in Arkansas. And the smaller the businesses, the less likely they will offer health insurance. Nationally, 58 percent of all private sector employers offer health insurance. Only three States fall below this average: my home State of Arkansas, Mississippi, and Montana. Arkansas, rate for private coverage is 43 percent.

That is why I am proud to introduce legislation today that will offer small employers a real solution to the problem of accessing affordable, comprehensive health insurance for their employees. Our legislation calls for the creation of a new Small Employers Health Benefits Program which will offer small employers affordable choices among private health insurance plans by giving them access to a large purchasing pool and negotiated rates. Our bill combines the best of what government-run health care, but harnesses the power of market competition to bring down health insurance costs by using a proven government negotiator.

Under our bill, small businesses across America would be able to pool their risk and purchasing power together to offer affordable health insurance options for their employees. Based on the successful Federal Employees Health Benefits program, which has provided quality benefit choices to Federal employees for decades, our program would offer small businesses a range of benefit packages from a variety of insurance companies, ensuring them a choice of affordable products.

All small employers with under 100 employees could voluntarily participate in the new SEHBP. Why only 100 employees or less? We target help to those who need it the most. Take Arkansas as an example. 87 percent of the

businesses in Arkansas with 100 to 200 employees do offer health insurance. However, most businesses in Arkansas, 76 percent to be exact, have less than 50 employees and less than one-third of them are able to offer health insurance to their employees.

Also under our bill, if employers agree to pay a minimum percentage of the premium for workers making under \$25,000, they would receive a refundable tax credit in return. Why only low-wage workers? Studies show that more than half of workers in firms under 100 people make less than \$25,000. And firms with a high proportion of low-wage workers are much less likely to offer insurance.

Further, current health tax-credits are not targeted to those who need help the most. A recent study shows that only 28 percent of current health benefit tax expenditures will go to families with incomes below \$50,000 this year. This is bad considering that these families account for more than half of all families in our country. In contrast, families with incomes of \$100,000 or more comprise 14 percent of the population but will account for 26 percent of all health benefit tax expenditures.

By giving small employers a refundable tax credit to defray part of the employer contribution for low-income workers, we provide help to those struggling families who need it the most.

One of the best aspects of our program is that every person working for a small business anywhere in the country—rural or urban—would have access to a choice of plans. And workers who move from one SEHBP-participating company to another anywhere in the Nation would be able to maintain their same health coverage.

For example, a florist working in Helena, AR, who is enrolled in an SEHBP nationwide plan could move to Carbondale, IL, without changing her health insurance. It's that easy.

Consumers are protected because plans in SEHBP will be subject to the same strict regulatory and solvency standards applied to plans in FEHBP. And small employers would be relieved of the burden of comparing insurers, benefit packages, costs and negotiating contracts.

I hope that our colleagues will take a careful look at our legislation and present it to the small businesses in their States. I hope they will ask them about their struggle to find affordable health insurance in today's market and see if they'd view this as a better alternative.

The number of uninsured in our country is alarming and should be a national priority. It is apparent by the statements of HHS Secretary Tommy Thompson yesterday that President Bush's administration doesn't recognize the severity of this crisis. Secretary Thompson said: "Even if you don't have health insurance in America, you get taken care of. That could be defined as universal health care."

With all due respect to Secretary Thompson, I don't know where he's getting his information. Just look at the facts:

Twenty percent of the working-aged adults in Arkansas (who are between 19 and 64 years of age) are uninsured. Forty-four million Americans nationwide don't have health insurance.

Uninsured families have less access to important screenings, state-of-the-art technology, and prescription drugs. We just passed a Medicare prescription drug benefit because we know how important access to prescription drugs are in improving health.

Uninsured adults have a 25 percent greater mortality risk than adults with coverage. About 18,000 deaths among people younger than 65 are attributed to lack of health insurance coverage every year.

Uninsured adults with chronic conditions like diabetes, cardiovascular disease, HIV infection and mental illness have less access to preventive care and have worse clinical outcomes than insured patients. They try to buy insurance, but it is virtually impossible to get in the individual market.

Uninsured adults negatively affect our health care providers and local economies too. A community's high rate of uninsurance can adversely affect the overall health status of the community, the financial stability of its health care institutions and providers, and access to emergency departments and trauma centers. My hospitals in Arkansas will tell you how expensive uncompensated care can be.

These facts make it clear: people without health insurance don't "get taken care of" as Thompson said. Those who lack health insurance don't get access to timely and appropriate health care. The facts are that Americans without health insurance—children and adults—suffer worse health and die sooner than those who do have health insurance.

In Arkansas, the number one cause of bankruptcy is high medical bills. These working families need help with this problem.

The fact is that people who lack health insurance are sicker and die sooner. You "don't get taken care of" if you have no health insurance. You fend for yourself.

That's why our small businesses employers—who make up most of the businesses in Arkansas—want to offer health insurance to their employees. And that is why our bill that Senator DURBIN and I are introducing today is good for America.

By Mr. REID:

S. 2164. A bill to amend the Elementary and Secondary Education Act of 1965 to authorize local educational agencies in rural areas to obtain a limited waiver of certain requirements relating to the employment of highly qualified teachers; to the Committee on Health, Education, Labor, and Pensions.

Mr. REID. Mr. President, I am introducing a bill today that I hope will be a useful tool for America's rural schools. The "Assisting America's Rural Schools Act" will address the concerns of rural Local Education Agencies (LEAs) that are trying to comply with the teacher quality standards set by the "No Child Left Behind Act of 2001."

Every day, rural communities are confronted by a shortage of resources. It may surprise some people to know there are still small towns in rural America where the citizens wait for a doctor to make his rounds, a mail truck to drop off the mail. These families have elected to stay in their communities despite all the obstacles, and they deserve an opportunity to enjoy a good quality of life.

It should come as no shock that there aren't many teachers who want to move to the remotest areas of a State, and teach in the few scattered schools in those areas. Furthermore, rural school districts' salaries and benefits are usually dwarfed by what urban school districts can offer, which presents another barrier to attracting teachers to rural areas.

Imagine the community's sigh of relief when a rural school does acquire a teacher. Now imagine the look on the teacher's face when she realizes she is expected to be "highly qualified" to instruct in multiple subjects.

The small town of Austin in Lander County, NV is one such community. Austin boasts a grand total of 63 students in grades K-12. For grades 6-12, there are only three teachers for all subjects. Yes, only three teachers.

These teachers are considered "highly qualified" in the areas of science, English, math, and physical education. In order for Austin to acquire a teacher who is "highly qualified" in the subject of history, the LEA must either find and recruit another teacher, or send one of its three current teachers back to school to get accredited in history via distance learning. Unfortunately, Lander County doesn't have the money to do either of these things.

Another quandary is presented in the event that one of these three teachers retires, quits, or leaves the school system. Again, it is incumbent upon the LEA to decide how to spend its limited funds.

Make no mistake about it: The issue is not whether teachers in rural areas should be qualified to teach multiple subjects—they should. However, requiring them to attain "highly qualified" status in all subjects simultaneously is unreasonable.

The "Assisting America's Rural Schools Act" provides rural LEAs with some flexibility in meeting the definition of a "highly qualified teacher" without diminishing the accountability standards for such teachers. Once the Department of Education deems a rural school district eligible, it will be allowed to exempt for 1 year any teacher already highly qualified in at least one

core academic subject from the Federal requirement to be "highly qualified" in every subject taught. A highly qualified teacher who is working toward that certification in another subject can still teach both subjects.

Nevada is not alone in facing this dilemma. While 13 out of 17 counties in my state would qualify as rural LEAs under the bill, it would also provide relief for rural school systems in 48 other states.

There is no question that every child deserves a quality education regardless of whether he or she lives in urban rural America. We have the responsibility in Congress of making sure the door of opportunity is open to all our children.

The "highly qualified" teacher provision in the "No Child Left Behind Act" is having the unintended consequence of depleting the already scarce supply of teachers in rural areas. To correct this situation, Congress should pass the "Assisting America's Rural Teachers Act" in the near future.

This bill was authored by Representative JIM GIBBONS of Nevada and has been introduced in the House. I am proud to author the Senate Companion and urge my colleagues to support this bipartisan legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2164

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Assisting America's Rural Schools Act".

SEC. 2. RURAL WAIVER OF CERTAIN QUALIFICATIONS FOR TEACHERS.

(a) IN GENERAL.—Section 1119(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6319(a)) is amended by adding at the end the following:

"(4) AVAILABILITY OF WAIVER FOR RURAL LOCAL EDUCATIONAL AGENCIES.—

"(A) NEW HIRES.—Upon application by a rural local educational agency, the Secretary may grant the agency the authority to defer, for a 1-year period beginning on the date any teacher who is new to the profession first begins employment with the agency as a middle or secondary school teacher, the application to such teacher of the requirement in section 9101(23)(B)(ii) regarding demonstration of a high level of competency in each of the academic subjects in which the teacher teaches. During the deferral period, the teacher shall be considered to have satisfied such requirement if the teacher has demonstrated a high level of competency, in accordance with such section, in 1 of the academic subjects in which the teacher teaches.

"(B) EXISTING EMPLOYEES.—Upon application by a rural local educational agency, the Secretary may grant the agency the authority to defer, for a 1-year period beginning on the date any middle or secondary school teacher who is not new to the profession first begins teaching an academic subject that the teacher has not previously taught, the application to such teacher of the requirement in section 9101(23)(C)(ii) regarding demonstration of competence in all of the academic

subjects in which the teacher teaches. During the deferral period, the teacher shall be considered to have satisfied such requirement if the teacher has demonstrated competence, in accordance with such section, in 1 of the academic subjects in which the teacher teaches.

“(C) TERMS AND CONDITIONS.—The Secretary may, in the Secretary’s discretion, establish such terms and conditions on the authority granted to a rural local educational agency under this paragraph as the Secretary determines to be appropriate.

“(D) DEFINITION.—For purposes of this paragraph, the term ‘rural local educational agency’ means a local educational agency with respect to which—

“(i) each county in which a school served by the agency is located has a total population density of fewer than 10 persons per square mile; or

“(ii) all schools served by the agency are designated with a school locale code of 7 or 8, as determined by the Secretary.”.

(b) REGULATIONS.—

(1) DEADLINE.—The Secretary of Education shall promulgate regulations to carry out the amendment made by subsection (a) not later than 180 days after the date of enactment of this Act.

(2) APPLICATION PROCEDURES.—The regulations promulgated pursuant to paragraph (1) shall specify procedures to be used by rural local educational agencies in submitting applications under section 1119(a)(4) of the Elementary and Secondary Education Act of 1965 (as added by subsection (a)).

(3) ELIGIBILITY.—The regulations promulgated pursuant to paragraph (1) shall specify the criteria the Secretary of Education will use in—

(A) determining whether to grant a waiver under subparagraph (A) or (B) of section 1119(a)(4) of the Elementary and Secondary Education Act of 1965 (as added by subsection (a)); and

(B) establishing terms and conditions under subparagraph (C) of such section.

By Mr. REED (for himself, Mr. HAGEL, Mr. MCCAIN, Mr. AKAKA, Mr. NELSON of Florida, and Mrs. CLINTON):

S. 2165. A bill to specify the end strength for active duty personnel of the Army as of September 30, 2005; to the Committee on Armed Services.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Madam President, we are on a very important piece of legislation. We also, on a daily basis, are confronted with a very important situation internationally, and that is our continued struggle in Iraq and Afghanistan. Today Senator HAGEL and I have announced legislation that would increase the end strength of the U.S. Army by 30,000 soldiers to meet these responsibilities worldwide.

This legislation will address a serious shortcoming in our Nation’s defense policy, ensuring that we have sufficient forces to carry out all of our missions around the globe, in Iraq and in Afghanistan. This legislation would increase and authorize the end strength of the U.S. Army from its present total of 482,400, to a total of 512,400.

I am introducing this legislation today not only with Senator HAGEL, but also with Senator MCCAIN, Senator AKAKA, Senator BILL NELSON, and Senator CLINTON.

End strength is the number of personnel permitted to serve in the military. Retired GEN Gordon R. Sullivan once stated that the objective of end strength is:

To have enough soldiers to execute Army missions at the right time and the right place, have enough in the total to have both tactical and operational flexibility and to have adequate depth in numbers to support leader development, required force structure manning and the requisite balance needed across the ranks.

Each year in the Defense authorization bill, Congress authorizes the end strength of each branch of the military service, including the National Guard and Reserves.

The importance of the authorized end strength is that it is the number of soldiers the budget funds. On average, each soldier costs \$329 a day or about \$120,000 a year to fully house, pay, train, and equip.

Last October, when we were debating the emergency supplemental for operations in Iraq and Afghanistan, Senator HAGEL and I offered an amendment to increase the active-duty end strength of the Army by 10,000 soldiers and to pay for that increase out of the supplemental.

At that time, the administration vehemently opposed the amendment. The Pentagon argued that an increase was not necessary, that it was too expensive, and using funds from the supplemental would disrupt current plans to win the war in Iraq. The Army stated in its message, “Increasing end strength is a last resort to fix the challenge” of balancing forces properly to win the war in Iraq and the global war on terrorism.

Yet on January 28 of this year, a mere 3 months later, Army Chief of Staff General Peter Schoomaker announced he had received emergency authority to add 30,000 soldiers over the next 4 years to help “rebalance the force.” Moreover, the Army would pay for these additional troops with funds from the fiscal year 2004 supplemental.

Needless to say, I am happy the Department of Defense has adopted the position Senator HAGEL and I had last October. Indeed, they have raised our request of 10,000 up to 30,000. But it is one thing to have the soldiers—it is an important thing—but, unfortunately, the Department of Defense is using the supplemental process to avoid putting these troops in the budget, and I think that is the appropriate way to pay for it.

Our Army is the finest fighting force in the world, but it is in danger of being overextended and, in the process of that overextension, degraded in its quality and its effectiveness.

Despite the heroic efforts of soldiers every day—men and women—who sacrifice themselves for our benefit, without the assistance, the resources, the support they need, they will find it more and more difficult to do the job.

In January 2004, the National Journal summed up the serious situation facing our Army:

The occupation of Iraq, the largest single deployment since the Vietnam war, is lasting longer than expected, and comes on top of major deployments elsewhere around the globe. Tens of thousands of reservists have been sent away on lengthy tours that they never expected. Emergency “stop loss” orders have prevented soldiers from leaving the services once their enlistments are up. . . . [and] demoralized families are demanding relief.

The legislation we propose will address the major portion of that relief. On January 21 of this year, LT GEN John Riggs, the director of the Objective Force Task Force, or the Army of the future, told the Baltimore Sun:

You probably are looking at substantially more than 10,000—

Meaning 10,000 personnel.

I have been in the Army 39 years, and I’ve never seen the Army as stretched in that 39 years as I have today. . . . It’s not my intent to be provocative but to be intellectually honest with my feelings on the strategy and commitment of the Army.

It is not Senator HAGEL’s and my intent to be provocative but to be intellectually honest.

In a November 23, 2003, article in the Wall Street Journal, retired GEN Barry McCaffrey stated:

The U.S. Army is stretched to the breaking point. We do not need more U.S. troops in Iraq. We do need to increase active-duty strength of the U.S. Army in order to sustain the current effort in both Iraq and Afghanistan—while remaining prepared to counter North Korea. Many of us are concerned that we won’t be able to carry out the strategy we’ve embarked on in Iraq because we won’t be able to sustain it. Next summer, we could be saying that we’re breaking the U.S. Army, and that we can’t do a third rotation.

I would disagree with General McCaffrey on the need for additional troops in Iraq. This week’s experience of almost 200 civilian casualties and suicide attacks on Shi’a pilgrims suggests there is perhaps a need for more U.S. security, as well as better Iraqi security.

The major point he makes is the point we are making: We have to increase the overall size of the Army if we want to carry out the strategy we embarked upon.

Jeffrey Record of the Army’s Strategic Studies Institute stated in a report published in December of 2003 that the “groundforce requirements in Iraq have forced the U.S. Army to the breaking point.” He goes on to say that:

The Army appeared incapable of sustaining a commitment of 16 of its 33 active-duty combat brigades in Iraq absent a reduction in commitments elsewhere or an expansion of its force structure.

Since 1989, the Army’s military end strength has been cut by more than 34 percent and civilian end strength by more than 45 percent while undergoing a 300-percent increase in mission rate. Their force structure is going down both in terms of military and civilian personnel, but their operations tempo has increased dramatically, and they are being stretched and stretched to the breaking point.

Today the Army presently has 492,242 soldiers serving on active duty. This has been the average rate for the past few weeks. This means that on the average, the Army needs 8,000 more soldiers each day to accomplish its mission than Congress has authorized and budgeted for.

We already know there is a shortfall in troops, and unless we adopt increases as we have proposed, this shortfall will become a huge chasm between the missions and capabilities to carry out those missions.

The situation in Iraq remains uncertain, but what is certain is the Army is already planning to have a force of slightly more than 100,000 troops in Iraq through 2006. This is not just a quick spike, a month or two that you can carry out through some emergency funding mechanisms, something temporary; this is several years. Indeed, I would suggest many years to complete the missions.

In order to address the stresses caused by Iraq, the Army is intent on rebalancing its force, or transforming it. The transformation is what General Schoomaker says requires the additional forces.

The Army is caught in a very difficult situation. They have to modernize and transform themselves into a more agile, more technologically sophisticated units, but still they have responsibilities of nation building in Iraq and Afghanistan. Those responsibilities are not amenable to high-tech solutions. They require the old-fashioned solutions: troops on the ground, troops talking to civilians in Iraq and Afghanistan, gathering intelligence, analyzing intelligence and having the force, both the perception of that force and the reality of that force, to ensure our adversaries are in check.

I am glad that today the Department of Defense now agrees with the proposal that was offered last fall by Senator HAGEL and myself and 51 of our colleagues who supported us that the Army needs more soldiers. What we disagree on is the way in which we should pay for these forces.

As I stated previously, every U.S. soldier costs the taxpayers approximately \$120,000 per year. Therefore, an additional 30,000 troops would cost approximately \$3.6 billion annually. There are two possible ways to authorize and fund an increase in end strength with its accompanying costs. One way is to put the end strength increase in the budget, raise the authorization levels in the Defense authorization bill, and find the funds in the \$401 billion Defense budget to pay for the troops. That is a method used in the bill we are introducing today.

The Defense Department, however, has chosen a different route. It intends to increase end strength by using the emergency authority granted under 10 U.S. Code section 123a which waives the end strength restrictions for a fiscal year if there is a war or national emergency.

When this authority is used, the \$3.6 billion cost of additional 30,000 troops is paid through supplemental or deficit funding.

This year, the extra troops will be paid for out of the fiscal year 2004 supplemental, but that supplemental will be depleted on September 30, 2004, if not earlier. So by my calculation, on October 1, 2004, there will be no funding and those 30,000 additional soldiers, or a significant portion of those troops, will still be in the field as they are recruited, trained, and deployed. That means the Defense Department will have to quickly request the Congress to provide another emergency funding for these troops, troops they know full well will be in the service or be recruited to the service or trained for the service by September 30, 2004.

Moreover, if the Pentagon persists in using this waiver, then they will repeat the scenario year after year. Pretend these troops do not exist when they send the regular budget up and then suddenly come to us with a supplemental at a convenient time and ask for additional money. That is not a way to budget for our forces.

I also point out that I am very concerned because I am hearing reports that the budget sent to us by the Budget Committee will include cuts to the overall defense line. How can the defense line overall be cut at the same time our military leaders are saying they need more troops?

There are those who are talking about the situation of abandoning Iraq. That is absolutely foolish. We are committed. Not only do we have to stay, we have to win. The only way to do that, in my view, is to maintain and provide the real resources for the troops to do their job. It is ironic to me, to say the least, that we would be contemplating a budget that cuts defense spending right now when we literally have so many unmet defense needs directly associated with Iraq and Afghanistan.

There is another problem with this supplemental approach. First, the definition of what is an emergency, the fiscal year 2000 budget resolution states that emergency funding must meet the following criteria: necessity; second, sudden, quickly coming into being, and not building up over time; third, urgent; four, unforeseen, unpredictable, and unanticipated; and five, temporary in nature.

These troops will not be temporary. The need is for several years. Certainly we know already what is coming before us. So this is not something quickly coming into being, something that is being built up suddenly.

The cost of 30,000 additional troops is now predictable and anticipated for at least the next 4 years. It does not qualify as an emergency. This device is simply hiding the true cost of ongoing operations and transformation.

As I said before, there are some who say this is a spike. It is not a spike. It is a plateau, or at least an ascending hill and a very slow decline.

This chart was presented to the Armed Services Committee staff by the Army on February 12, 2004. It shows the transformation plan. It shows the increase in the present end strength of 482,400 up to an end strength of roughly 512,400, from about 33 brigades to about 48 brigades. Then it shows the gradual decline.

I note this decline gets us back to current end strength around fiscal year 2010 or 2011. That is 7 years from now. That is not a spike. That is a tough hike up a steep hill and then a slow decline from that hill.

Also, this scenario assumes there are no other major contingencies such as North Korea; that there can be a successful transfer of military duties to more civilians; that we can reduce the time our soldiers are in training, in transit, in hospitals, and other non-deployed or nondeployable categories. These are all assumptions that might not be met.

The most prudent action today is to increase the forces that we suggest in our legislation. It is much easier to bring a force down than to build it up. When it is brought down, it saves money. When it is brought down, stop-loss orders do not have to be relied upon. These are orders which basically tell soldiers they have reached their enlistment termination date but we are not letting them go. They are no longer a volunteer, in some respects. They are with us until we tell them they can go. So that is something of which we have to be very conscious.

We have to also be concerned that these 30,000 troops might not come online at one moment. Obviously, it takes time to recruit and train. The Army may not need or be able to handle all of these troops. That does not argue against authorizing this increased end strength. What it does is argue for flexibility in the way the Army brings the troops on, and that is something I am sure we can talk about in the conduct of our discussions this year on the defense authorization legislation.

We have a point now where our Army is stretched. It is under tremendous stress, and to a degree this also applies to the Marine Corps, our land forces. We can do the responsible thing, which is to stand up and in the clear light of day increase the end strength of our military forces and pay for that end strength, or we can employ budgetary gimmicks.

We can avoid the reality. Through smoke and mirrors we can try to somehow persuade ourselves and maybe the American public that we do not have to pay for these operations in Iraq or Afghanistan. That would be wrong in terms of our responsibility to the American public and our responsibility, just as importantly, to the troops who are in the field. They have to know we are not playing budget games with our military forces. They have to know we support them, that we just cannot talk about a generational

struggle against terrorism if we have to fund that struggle.

We also have to be particularly cognizant that so many of our National Guard and Reserve forces are engaged in this conflict. Of the 100,000-plus troops who will be in Iraq in the next several weeks after this rotation, 40 percent will be Reserve and National Guard forces, the largest deployment of Reserve and National Guard forces since World War II in a combat area of operations.

What is the message we are sending to them? If we do not increase the size of our Active Forces, the message is simple: When you serve well—and they are—and honorably, and you return home, do not unpack your bags because you are going back before you know it.

We just do not have the Active Forces to carry out the missions.

I hope in the process of our deliberations on the Defense authorization bill we can include the Hagel-Reed amendment. I thank my colleagues who supported this amendment. Certainly, I think we want to do all we can for our forces in the field.

I yield the floor.

Mr. HAGEL. Mr. President, I rise today to join my colleague Senator JACK REED in introducing legislation to increase the endstrength of the U.S. Army by 30,000 additional troops.

Last month, the Army Chief of Staff, General Peter Schoomaker informed the Congress that the administration had approved an additional 30,000 Army troops on a "temporary" basis for the next 4 years.

Over the last year the Congress has been expressing grave concern that our Armed Forces are too small to meet the extraordinary demands being placed on them today. Demands that will likely continue to be with us well into the future.

The United States has over 125,000 troops in Iraq. Global commitments of our Armed Forces have soared since September 11, 2001. In order to prevent back-to-back deployments of our Active-Duty soldiers the Army National Guard and Army Reserve will comprise about 40 percent of the current troop rotation in Iraq.

In addition to dealing with the extraordinary demands being placed on the U.S. Army, the Secretary of defense has tasked General Schoomaker to transform the Army.

By some accounts this transformation will be the most significant and complex undertaking to face the Army in half a century. It will not only directly affect the Active-Duty Army, it will also change the nature of the Army National Guard and the Army Reserve.

Secretary Ramsfeld stated before the Senate Armed Services Committee that the Army must "move away from the Napoleonic division structure designed for the 19th century, focusing instead on creating a 21st century 'Modular Army' made up of self-contained, more self-sustaining brigades

that are available to work with any division commander."

Transformation of the Armed Forces has been a mantra of the Department of Defense. To show unwavering commitment to transformation the Secretary has created the Office of Force Transformation and a Supreme Allied Commander Transformation at NATO. Using the Quadrennial Defense Review as a compass Secretary Rumsfeld has been "transforming" almost everything the Pentagon does . . . including senior officer lunch rooms in the Pentagon.

The transformation of the Army's Total Force will affect about 1½ million people in uniform and a significant number of DOD civilians, employers, and families.

So, why will the transformation of the U.S. Army be done off budget using the emergency supplemental appropriations process? Why will some of the additional manpower that General Schoomaker needs to transform the Army and rebalance the National Guard and Army Reserve come from preventing soldiers from leaving the Army at the end of their enlistments or delaying their retirement? An action referred to by the Pentagon as "stop loss."

The Constitution tasks the Congress with significant responsibility regarding our national security.

Article 1, Section 8 of the United States Constitution gives Congress the power "to provide the common defense . . . to raise and support Armies . . . to provide and maintain a navy . . . and to make laws which shall be necessary and proper for carrying out the foregoing powers."

In executing this responsibility Senator REED and I are introducing legislation to permanently increase the endstrength of the U.S. Army by 30,000 troops. This legislation will give the Army Chief of Staff additional help he needs to fight the war on terrorism, stabilize Iraq and Afghanistan, and meet the global demands being placed on the total force today. Our legislation also gives General Schoomaker the manpower "headroom" he has testified he needs to transform the total force . . . the Active-Duty Army, the Army Reserve, and the Army National Guard.

This legislation will set the U.S. Army's endstrength at 512,400, 30,000 soldiers higher than it is currently set.

It is not our intention to put the Army in a position that to fund the additional troops they must deplete critical recapitalization, modernization, research, and MILCON accounts. The Department of Defense should be required to better rationalize the department budget to make U.S. Army, Army National Guard, and Army Reserve transformation one of the highest, fully funded, priorities of our Armed Forces.

By Mrs. BOXER (for herself, Ms. SNOWE, Mrs. MURRAY, Ms. COL-

LINS, Mrs. CLINTON, Mrs. FEINSTEIN, and Ms. CANTWELL):

S. 2166. A bill to amend title 10, United States Code, to exempt abortions of pregnancies in cases of rape and incest from a limitation on use of Department of Defense funds; to the Committee on Armed Services.

Mrs. BOXER. Madam President, over the past several months, we have heard about tragic incidents in which female cadets at the Air Force Academy and military service women in Iraq have been the victims of rape and sexual assault. This is deplorable. There are 200,000 women in uniform, yet while they are protecting our Nation, our Nation is failing to protect them from rape and sexual assault.

It is an even greater insult that we are telling our service women that the Department of Defense will not pay if they choose to terminate a pregnancy that is the result of rape.

Current law states that DoD funds may not be used to perform abortions except where the life of the mother would be endangered. It does not provide any exception for cases of rape and incest—such as is the case in the Medicaid program. The Boxer-Snowe bill would add rape and incest to the life exception that is now law.

While current law allows service members to use military treatment facilities for abortions resulting from rape and incest, the service woman must pay for the procedure out of her own pocket. This is an insult.

According to a study by the Iowa Veterans Affairs Medical Center, 30 percent of female U.S. military veterans report having been raped or having been the victim of an attempted rape during their military service. This legislation will provide help for our female troops in cases of such horrific crimes.

I ask unanimous consent that two letters of support for this bill be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

POPULATION CONNECTION,

Washington, DC, February 25, 2004.

Hon. Senator BARBARA BOXER,

U.S. Senate, Senate Hart Office Building, Washington, DC.

DEAR SENATOR BOXER: I am writing on behalf of 90,000 members and supporters of Population Connection to express our support for your bill providing that women who are victims of rape or incest and serving in the U.S. military—or are the dependents of members of the armed forces—have access to government funded abortions. The legislation is a critical first step in bringing to an end the appalling policy that denies military women the basic freedom of choice that all Americans are guaranteed.

Every individual has the fundamental right to freely decide the number and spacing of her children and reproductive choice is basic to the principle of individual liberty cherished by all Americans and most people worldwide. Far too many American women have been denied the full range of reproductive choices for too long. We strongly support efforts to expand choices for all those women denied them, and that includes the

women serving in our armed forces. Your bill is an important first step in bringing constitutionally guaranteed health services to women making huge sacrifices on behalf of all of us.

We applaud your efforts to ensure reproductive freedom by ending irrational and harmful barriers to the health and well being of women. Please let us know what we can do to assist you in your efforts.

Sincerely,

BRIAN E. DIXON,
Director of Government Relations.

NARAL PRO-CHOICE AMERICA,
March 2, 2004.

Hon. BARBARA BOXER,
U.S. Senate, Washington, DC.

DEAR SENATOR BOXER: I write to express NARAL Pro-Choice America's strong support for your legislation to allow federal funding for abortions in military facilities in cases of rape or incest. This legislation is needed to support our female troops and military dependents who have been the victims of such unspeakable crimes.

Current law only allows federal funding for abortions at military hospitals in cases of life endangerment. However, recent reports of sexual assault from female service members returning from duty in Iraq and other overseas stations demonstrate, sadly, that this policy fails to acknowledge the reality some servicewomen face. In addition, a 2003 study conducted by Dr. Anne Sadler with the Iowa City Veterans Affairs Medical Center found that 30 percent of female U.S. military veterans report having been raped or suffered a rape attempt during their military service.

More than 100,000 women live on military bases overseas and rely on military hospitals for their health care—not to mention those posted stateside. The current-law ban on publicly funded abortions in cases of rape and incest may make some women reluctant to seek these medical services or force them to delay the procedure for several weeks. For each week an abortion is delayed, the risk to the woman's health increases. This ban further harms the women and families who have volunteered to serve their country, placing yet another obstacle in front of those who have already suffered an unspeakable assault and may wish to exercise their constitutionally protected right to choose.

Secretary of Defense Donald Rumsfeld recently directed the department's undersecretary for personnel and readiness to review the military's procedures for medical care for sexual-assault victims. A policy of allowing federal funding for abortion services in overseas military hospitals for victims of rape and incest is an important and common-sense first step.

We commend your courageous leadership on this important issue, and hope to work with you closely toward your legislation's enactment. It is vital that Congress pass critical measures such as this to support our troops and ensure that they are able to receive the health care they need.

Warm regards,

KATE MICHELMAN,
President.

By Mr. REED (for himself, Mr. CORNYN, and Mr. LEAHY):

S. 2168. A bill to extend the same Federal benefits to law enforcement officers serving private institutions of higher education and rail carriers, that apply to law enforcement officers serving units of State and local government; to the Committee on the Judiciary.

Mr. REED. Madam President, I rise today to introduce the Equity in Law

Enforcement Act, to extend to sworn, licensed, or certified police officers serving private institutions of higher education and rail carriers, the same Federal benefits that apply to law enforcement officers serving units of State and local government.

Each day, thousands of law enforcement officers put their lives on the line to protect the public's safety on our Nation's university and college campuses and our railways.

The attacks of September 11, 2001, marked a significant change in the way the United States regarded the threat of terrorism against our homeland. These events also highlighted the important role of the nation's law enforcement officers in the security of our country.

Sworn officers on private university campuses protect the public's safety and secure assets similar to those that are found on public university campuses, including nuclear laboratories and critical research and development infrastructure. Events such as last year's bombing at Yale University have highlighted the risks facing our nation's college and university campuses.

In addition, the protection of our transportation systems, such as our railways, is now more important than ever. Railroad police officers are charged with enforcing State and local laws in any jurisdiction in which the rail carrier owns property. They attend the same police academies as State and local police in the state in which they are domiciled, and most come from law enforcement backgrounds.

The Public Safety Officers' Benefits (PSOB) Act of 1976 was enacted to aid in the recruitment and retention of law enforcement officers and firefighters, by providing a one-time financial benefit to the eligible survivors of public safety officers whose deaths are the direct result of traumatic injury sustained in the line of duty. Specifically, Congress enacted this legislation to address concerns that the hazards inherent in law enforcement and fire suppression, and the low level of State and local death benefits, might discourage qualified individuals from seeking careers in these fields.

The same risks also apply to police officers protecting our private universities and railways. Indeed, names of 59 railway officers are inscribed on the National Law Enforcement Officers Memorial in Washington, D.C. Of these 59 officers, 44 of them were shot to death, and the rest were killed in the line of duty. Since 1878, the Union Pacific Railroad has suffered the loss of 16 police officers, 10 of those killed by gunfire, and the Norfolk Southern Railroad has lost another 14 officers in the line of duty. All but one of these 14 officers were killed by gunfire. These sobering facts are evidence of the dangers faced by these officers every day.

Similar dangers face many police officers serving private institutions of higher education. Take the case of Tulane University Police Sergeant Gil-

bert J. Mast. On January 20, 1996, Sergeant Mast was killed while on patrol, when he was struck by a hit-and-run vehicle. The driver surrendered to officers of the New Orleans Police Department several days later. Although Sergeant Mast had bravely served as a law enforcement officer on Tulane's campus, and the Director of Public Safety at Tulane had filed the required paperwork for survivor benefits, his family was denied because he was not employed by the public sector.

Sergeant Mast is just one example of the many brave police officers who protect our railways and college and university campuses every day, yet who are not covered under the Public Safety Officers' Benefits Act, and are thus excluded from receiving the same Federal death benefits as law enforcement officers serving units of State and local governments.

I am pleased that Senators LEAHY and CORNYN have joined me in introducing the Equity in Law Enforcement Act, to help remedy this discrepancy in death benefit payments for law enforcement officers.

This bi-partisan legislation will extend Federal benefits to law enforcement officers who serve private institutions of higher education and rail carriers, including line-of-duty death benefits under the Public Safety Officers' Benefits Program, and eligibility for Bulletproof Vest Partnership Grants through the Department of Justice. The bill would ensure that these public safety officers have access to the protective equipment they need, and that they and their families receive benefits if an officer is killed or seriously injured.

The bill would apply only to sworn peace officers who receive State certification or licensing, and is supported by the International Association of Chiefs of Police (IACP) and the International Association of Campus Law Enforcement Administrators (IACLEA).

Indeed, the benefits of this legislation far outweigh the costs. A recent analysis by the Congressional Budget Office has found that there would be no significant budget impact by its enactment.

The importance of police officers on our campuses and railways is more apparent than ever. I believe that it is necessary that these brave men and women are able to receive the same benefits as their counterparts in State and local law enforcement units, and I am pleased that this legislation has also been introduced in the House of Representatives by Congressman CHRIS BELL, along with 3 bi-partisan cosponsors.

I urge my colleagues to join me, and Senators LEAHY and CORNYN, in cosponsoring and passing the Equity in Law Enforcement Act, to ensure that the brave officers that serve our private college and university campuses and railways receive the benefits that they deserve. I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2168

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Equity in Law Enforcement Act".

SEC. 2. LINE-OF-DUTY DEATH AND DISABILITY BENEFITS.

Section 1204(8) of part L of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b(8)) is amended—

(1) in subparagraph (B), by striking "or" at the end;

(2) in subparagraph (C), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(D) an individual who is—

"(i) serving a private institution of higher education in an official capacity, with or without compensation, as a law enforcement officer; and

"(ii) sworn, licensed, or certified under the laws of a State for the purposes of law enforcement (and trained to meet the training standards for law enforcement officers established by the relevant governmental appointing authority); or

"(E) a rail police officer who is—

"(i) employed by a rail carrier; and

"(ii) sworn, licensed, or certified under the laws of a State for the purposes of law enforcement (and trained to meet the training standards for law enforcement officers established by the relevant governmental appointing authority)."

SEC. 3. LAW ENFORCEMENT ARMOR VESTS.

(a) GRANT PROGRAM.—Section 2501 of part Y of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ll) is amended—

(1) in subsection (a)—

(A) by striking "and Indian tribes" and inserting "Indian tribes, private institutions of higher education, and rail carriers"; and

(B) by inserting before the period the following: "and law enforcement officers serving private institutions of higher education and rail carriers who are sworn, licensed, or certified under the laws of a State for the purposes of law enforcement (and trained to meet the training standards for law enforcement officers established by the relevant governmental appointing authority)";

(2) in subsection (b)(1), by striking "or Indian tribe" and inserting "Indian tribe, private institution of higher education, or rail carrier"; and

(3) in subsection (e), by striking "or Indian tribe" and inserting "Indian tribe, private institution of higher education, or rail carrier".

(b) APPLICATIONS.—Section 2502 of part Y of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ll-1) is amended—

(1) in subsection (a), by striking "or Indian tribe" and inserting "Indian tribe, private institution of higher education, or rail carrier"; and

(2) in subsection (b), by striking "and Indian tribes" and inserting "Indian tribes, private institutions of higher education, and rail carriers".

(c) DEFINITIONS.—Section 2503(6) of part Y of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ll-2(6)) is amended by striking "or Indian tribe" and inserting "Indian tribe, private institution of higher education, or rail carrier".

SEC. 4. OTHER GRANTS.

Section 510(a)(2) of chapter A of subpart 2 of part E of title I of the Omnibus Crime

Control and Safe Streets Act of 1968 (42 U.S.C. 3760(a)(2)) is amended by striking "and local units of government" and inserting "units of local government, private institutions of higher education, and rail carriers".

By Mr. GRAHAM of Florida (for himself and Mr. NELSON of Florida):

S. 2169. A bill to modify certain water resources projects for the Apalachicola, Chattahoochee, and Flint Rivers, Georgia, Florida, and Alabama; to the Committee on Environment and Public Works.

Mr. GRAHAM of Florida. Madam President, the locals call it "God's country." The Apalachicola River, beginning at the confluence of the Chattahoochee and Flint River, near the borders of Alabama, Florida, and Georgia, was and remains an important waterway in the southeast. The river's purpose as a waterway, however, has changed since its colonial fame.

The Apalachicola is the largest river east of the Mississippi. In its heyday, the Apalachicola was an important tributary that served as the largest port of the Gulf of Mexico—harboring ships carrying cotton to Europe and New England.

In the 21st century, while no longer an essential route of transport, the Apalachicola River is an important environmental and commercial asset. The history of the Apalachicola River as an Army Corps of Engineers project began in 1945 and the Rivers and Harbors Act, which authorized dredging of navigation channels. Over the past 59 years, millions of taxpayer dollars have been swept down the river in an effort to dredge and maintain the 9-foot-deep channel.

The Corps has had difficulty maintaining the channel, and combines dredging with water releases in order to raise water levels and provide navigation windows. This system is hopelessly flawed. Dredging is unmanageable and navigation windows are unreliable, making the process a fiscal waste.

Add to this fact that over the last few years, commercial barge traffic has slowed from an intermittent stream to a virtually non-existent trickle. River traffic dropped dramatically in the late 1990s, with fewer than 200 barges a year using the river system. By 2001, only 30 barges used the entire tri-river system with the cost of dredging the channel exceeding \$30,000 per barge. Most recently, in 2004 the only company that used barges to carry cargo on the upper reaches of the river ceased operations. Furthermore, the Congressional Budget Office estimates that the average cost per ton-mile from 1995–98 at 14.1 cents, almost 24 times more than the cost of the Upper Mississippi River at .597 cents. In light of these circumstances, continued dredging of Florida's largest river is not just wasteful, it is foolish.

Ending the dredging is not just about how wasteful this project is—it is also

about the environmental destruction that is being inflicted on the Apalachicola River and Bay. There are beaches of sand where there were once river banks. There are walls of dredged spoil—some towering like buildings four stories high—where the river waters used to meander. To date, dredged sand has resulted in the destruction of approximately one-quarter of the banks of the Apalachicola. The large amounts of sand have choked sloughs and cut off the water supply to surrounding habitat, ultimately threatening the local economy.

Navigation windows remain a peril threatened and endangered species like the Gulf Sturgeon, the Fat Three-Ridge and the Purple Bank Climber. The April 2000 navigation window resulted in an almost complete failure of sportfish spawn along the entire Apalachicola River and reservoirs upstream. Sportfish population have been in rapid decline along the river since 1990. This time frame corresponds with the Corps' continued reliance on water releases to provide adequate water for navigation.

The constant and gross interruptions of the natural system have degraded the environment of the Apalachicola River and quality of life of those who depend upon it. It comes as no surprise that the Apalachicola has repeatedly earned the designation by American Rivers as one of our Nation's Most Endangered Rivers. The Apalachicola has also been included in the 2000 Troubled Waters Report and the 2001 and 2002 Green Scissors Report.

Manipulation of the Apalachicola poses a serious risk to the local economy. Important businesses, such as farmers who produce Tupelo honey and the fishermen who harvest oysters and shrimp in Apalachicola Bay, are dependent on the river's overall health. Additionally, commercial fishing operations along the Gulf Coast also rely on the Bay for their livelihood.

The negative impacts of dredging and the low commercial use of the Apalachicola River led former Secretary of the Army for Civil Works, Joe Westphal, to describe the project as not "economically justified or environmentally defensible."

Dredging the Apalachicola exacts too high a price from both taxpayers and the environment. Clearly it is time to rethink this expensive and ecologically devastating practice.

The bill I offer today, the Restore the Apalachicola River Ecosystem (RARE) Act, was originally introduced in 2002 and subsequently passed by the Committee on Environment and Public Works. It authorizes the actions necessary to reform the Apalachicola River project. It is my hope that this legislation will again be approved by the committee and then by the full Senate.

The first thing my bill does is put an end to the navigational dredging on the river.

Second, it instructs the Corps to submit to Congress a comprehensive restoration plan that corrects the past harms done to the Apalachicola.

The only way to restore the Apalachicola River to its former greatness is to cease navigational dredging. The designation of the Apalachicola as one of the nation's most endangered rivers should be a wake-up call to Congress and the Army Corps of Engineers to permanently end the dredging of the Apalachicola and allow the river to return to its natural state free of man's manipulation.

I urge my colleagues to support this legislation, which is both fiscally sound and environmentally responsible.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2169

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Restore the Apalachicola River Ecosystem Act" or the "RARE Act".

SEC. 2. APALACHICOLA, CHATTAHOOCHEE, AND FLINT RIVERS, GEORGIA, FLORIDA, AND ALABAMA.

(a) IN GENERAL.—The project for navigation, Apalachicola, Chattahoochee, and Flint Rivers, Georgia, Florida, and Alabama, authorized by section 2 of the Act of March 2, 1945 (59 Stat. 17, chapter 19), and modified by the first section of the Act of July 24, 1946 (60 Stat. 635, chapter 595), and the project for the West Point Reservoir, Chattahoochee River, Georgia, authorized by section 203 of the Flood Control Act of 1962 (76 Stat. 1182), are modified—

(1) to deauthorize the 9-foot by 100-foot channel between the Gulf Intracoastal Waterway near Apalachicola, Florida, to Jim Woodruff Dam near Chattahoochee, Florida; and

(2) to authorize the Secretary of the Army, in consultation with the State of Florida, to develop the plan described in subsection (b).

(b) PLAN FOR RESTORATION OF APALACHICOLA RIVER.—

(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act and before commencement of any restoration activity under subsection (a), the Secretary of the Army, in coordination with the State of Florida, the United States Fish and Wildlife Service, and the United States Geological Survey, shall—

(A) develop a comprehensive plan to restore the Apalachicola River basin; and

(B) submit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives the plan developed under subparagraph (A).

(2) REQUIRED ELEMENTS.—The plan under paragraph (1) shall—

(A) have as its sole goal the reestablishment of the ecological integrity of the Apalachicola River basin ecosystem (including restoration of bendways, interconnecting waterways, sloughs, watersheds, associated land areas, and fish and wildlife habitat);

(B) reestablish an ecosystem that supports and sustains a balanced, integrated, adaptive community of organisms having species composition, diversity, and functional orga-

nization comparable to those of the natural habitat of the Apalachicola River; and

(C) include a method of monitoring and assessing the biota, habitats, and water quality of the Apalachicola River basin for use in assessing restoration activities and impacts of restoration activities.

(3) FUNDING.—The plan under paragraph (1) shall be developed at a total cost of \$4,000,000.

(c) PUBLIC OUTREACH.—In carrying out this section, the Secretary of the Army shall engage in significant public outreach.

(d) RELATIONSHIP TO OTHER ACTIVITIES.—The Secretary of the Army shall ensure that activities conducted under this section do not interfere with water compact activities and negotiations being carried out as of the date of enactment of this Act with respect to the Apalachicola, Chattahoochee, and Flint Rivers, Georgia, Florida, and Alabama.

(e) OPERATION OF LOCKS AND DAMS.—Nothing in this section affects the authority under which locks and dams on the Apalachicola, Chattahoochee, and Flint Rivers, Georgia, Florida, and Alabama, are operated as of the date of enactment of this Act.

(f) EFFECT ON OTHER LAW.—Nothing in this section limits the authority of any agency under any other provision of law to require compliance with any applicable statutory or regulatory requirement.

By Mrs. HUTCHISON:

S. 2170. A bill to establish the Weather Modification Operations and Research Board and outline its duties and responsibilities; to the Committee on Commerce, Science, and Transportation.

Mrs. HUTCHISON. Mr. President, I rise to introduce legislation to recognize the importance and need for increased weather modification research. Weather modification is the general term that refers to any human attempt to alter the weather. While we may not be able to stop Mother Nature entirely, we can sometimes alter her course, changing the weather in small, yet significant ways. These efforts have been used in the U.S. for more than 50 years to reduce crop and property damage, optimize useable precipitation during growing seasons and lessen the impact of periodic, often severe droughts.

The weather modification projects in Texas and other States in the U.S. are much more than well considered responses to drought. They are trying to use the latest technological developments in the science to chemically squeeze more precipitation out of clouds. Moisture that is needed to replenish fresh-water supplies in aquifers and reservoirs. Political subdivisions like water conservation districts and county commissions have embraced the technology of rain enhancement as one element of a long-term, water-management strategy. This is critical to ensure growing populations have enough water to meet future needs.

This bill will develop a comprehensive and coordinated national weather modification policy through federal and state research and development programs. It will also establish a Weather Modification Advisory and Research Board within the Department of Commerce to promote and expand the practical knowledge of weather modi-

fication. Further, it recognizes the significance of state and federal collaboration in this endeavor.

I am proud to offer this legislation to bring attention to this important research and I would urge my colleagues to support the Weather Modification Research and Technology Transfer Authorization Act. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2170

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Weather Modification Research and Technology Transfer Authorization Act".

SEC. 2. PURPOSE.

It is the purpose of this Act to develop and implement a comprehensive and coordinated national weather modification policy and a national cooperative Federal and State program of weather modification research and development.

SEC. 3. DEFINITIONS.

In this Act:

(1) BOARD.—The term "board" means the Weather Modification Advisory and Research Board.

(2) EXECUTIVE DIRECTOR.—The term "executive director" means the executive director of the Weather Modification Advisory and Research Board.

(3) RESEARCH AND DEVELOPMENT.—The term "research and development" means theoretical analysis, explorations, experimentation, and the extension of investigative findings and theories of scientific or technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes.

(4) WEATHER MODIFICATION.—The term "weather modification" means changing or controlling, or attempting to change or control, by artificial methods the natural development of atmospheric cloud forms or precipitation forms which occur in the troposphere.

SEC. 4. WEATHER MODIFICATION ADVISORY AND RESEARCH BOARD ESTABLISHED.

(a) IN GENERAL.—There is established in the Department of Commerce the Weather Modification Advisory and Research Board.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The board shall consist of 11 members appointed by the Secretary of Commerce, of whom—

(A) at least 1 shall be a representative of the American Meteorological Society;

(B) at least 1 shall be a representative of the American Society of Civil Engineers;

(C) at least 1 shall be a representative of the National Academy of Sciences;

(D) at least 1 shall be a representative of the National Center for Atmospheric Research of the National Science Foundation;

(E) at least 2 shall be representatives of the National Oceanic and Atmospheric Administration of the Department of Commerce;

(F) at least 1 shall be a representative of institutions of higher education or research institutes; and

(G) at least 1 shall be a representative of a State that is currently supporting operational weather modification projects.

(2) SERVICE AS MEMBERS.—A member of the board shall serve at the pleasure of the Secretary of Commerce.

(3) **VACANCIES.**—Any vacancy on the board shall be filled in the same manner as the original appointment.

(b) **ADVISORY COMMITTEES.**—The board may establish advisory committees to advise the board and to make recommendations to the board concerning legislation, policies, administration, research, and other matters.

(c) **INITIAL MEETING.**—Not later than 30 days after the date on which all members of the board have been appointed, the board shall hold its first meeting.

(d) **MEETINGS.**—The board shall meet at the call of the Chair.

(e) **QUORUM.**—A majority of the members of the board shall constitute a quorum, but a lesser number of members may hold hearings.

(f) **CHAIR AND VICE CHAIR.**—The board shall select a Chair and Vice Chair from among its members.

SEC. 5. DUTIES OF THE BOARD.

(a) **PROMOTION OF RESEARCH AND DEVELOPMENT.**—In order to assist in expanding the theoretical and practical knowledge of weather modification, the board shall promote and fund research and development, studies, and investigations with respect to—

(1) improved forecast and decision-making technologies for weather modification operations, including tailored computer workstations and software and new observation systems with remote sensors; and

(2) assessments and evaluations of the efficacy of weather modification, both purposeful (including cloud-seeding operations) and inadvertent (including downwind effects and anthropogenic effects).

(b) **FINANCIAL ASSISTANCE.**—Unless the use of the money is restricted or subject to any limitations provided by law, the board shall use amounts in the Weather Modification Research and Development Fund—

(1) to pay its expenses in the administration of this Act, and

(2) to provide for research and development with respect to weather modifications by grants to, or contracts or cooperative arrangements, with public or private agencies.

(c) **REPORT.**—The board shall provide the Secretary with a report of its findings and research results biennially.

SEC. 6. POWERS OF THE BOARD.

(a) **STUDIES, INVESTIGATIONS AND HEARINGS.**—The board may make any studies or investigations, obtain any information, and hold any hearings necessary or proper to administer or enforce this Act or any rules or orders issued under this Act.

(b) **PERSONNEL.**—The board may hire an executive director and other support staff, as provided by the appropriations act, necessary to perform duties and functions under this Act.

(c) **COOPERATION WITH OTHER AGENCIES.**—The board may cooperate with public or private agencies to promote the purposes of this Act.

(d) **COOPERATIVE AGREEMENTS.**—The board may enter into cooperative agreements with the agencies of the United States, States of the United States and their counties and cities, or with any private or public agencies or organizations for conducting weather modification activities or cloud-seeding operations.

(e) **CONDUCT AND CONTRACTS FOR RESEARCH AND DEVELOPMENT.**—The executive director, with approval of the board, may conduct and may contract for research and development activities relating to the purposes of this section.

SEC. 7. COOPERATION WITH THE WEATHER MODIFICATION OPERATIONS AND RESEARCH BOARD.

Agencies of the United States and other public or private agencies and institutions

that receive research funds from the United States are directed to the extent possible to give full support and cooperation to the board and to initiate independent research and development programs that address weather modifications.

SEC. 8. FUNDING.

(a) **IN GENERAL.**—There is established within the Treasury of the United States the Weather Modification Research and Development Fund, which shall consist of amounts appropriated pursuant to subsection (b) or received by the board under subsection (c).

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to the board for the purposes of carrying out the provisions of this Act \$10,000,000 for each of fiscal years 2004 through 2013. Any sums appropriated under this subsection shall remain available, without fiscal year limitation, until expended.

(c) **GIFTS.**—The board may accept, use, and dispose of gifts or donations of services or property.

SEC. 9. EFFECTIVE DATE.

The provisions of this Act shall apply on and after October 1, 2003.

By Mrs. BOXER:

S. 2171. A bill to establish a first responder and terrorism preparedness grant information hotline, and for other purposes; to the Committee on Governmental Affairs.

Mrs. BOXER. I am pleased to introduce the First Responders Homeland Defense Act of 2004. This bill would help alleviate funding shortages that our Nation's first responders are experiencing, and would help alleviate confusion about Federal grant programs.

The first provision of the First Responders Homeland Defense Act is a grant assistance hotline. When the Department of Homeland Security was created, many local emergency responder agencies were hopeful that a one-stop shop for homeland security resources would be available. Unfortunately, an easily accessible and understandable resource does not yet exist.

In addition to grants from the Department of Homeland Security, there are many grant programs available to first responders from other federal departments. For example, as part of the Department of Health and Human Services, the Centers of Disease Control and Prevention assists state and local public health officials improve hospital preparedness. The Bureau of Justice Assistance at the Department of Justice distributes funding for law enforcement agencies to prepare for terrorist events.

For a local law enforcement agency or fire department, determining eligibility for the wide range of grant programs in a number of different Federal agencies—not to mention even knowing the full range of funding that is available—could be a confusing and daunting task. In order to help make it easier for first responders, my bill would establish a grant assistance hotline at the Department of Homeland Security that would provide local first responders with information on available grants and how to apply for them.

The First Responders Homeland Defense Act also creates a new grant pro-

gram for tax-exempt non-profit organizations that provide first responder training. Many public and private agencies are creating projects and training programs that involve the business community in defending the homeland. Organizations with non-profit, tax exempt status should be eligible for Federal grant funds when working on community-wide terrorism preparedness. The Department of Homeland Security should fulfill the goal of community-wide preparation by providing Federal assistance to non-profit organizations that operate training programs in conjunction with a local agency.

Finally, the First Responders Homeland Defense Act creates a grant program for another important purpose: interoperable communications systems. Many homeland security experts recognize that while there are many Federal funding opportunities for anti-terrorism activities, there is very little money dedicated to interoperable communications systems. These are systems that allow different local and State agencies to communicate directly with one another—something that is vital to terrorism prevention and response. Yet these systems are all too rare. This bill establishes a grant program at the Department of Homeland Security for the specific purpose of assisting local agencies improve existing communications systems or purchase new systems.

Making the Department of Homeland Security more accessible to local communities and making more resources available to first responders should be a top priority. Many law enforcement officials and other first responders have reviewed this legislation, and I am pleased to introduce the First Responders Homeland Defense Act in response to many of their concerns.

This bill is an important step in fulfilling the Federal responsibility to protect the homeland. I urge my colleagues to support it.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 310—COMMEMORATING AND ACKNOWLEDGING THE DEDICATION AND SACRIFICE MADE BY THE MEN AND WOMEN WHO HAVE LOST THEIR LIVES WHILE SERVING AS LAW ENFORCEMENT OFFICERS

Mr. CAMPBELL (for himself, Mr. LEAHY, Mr. HATCH, and Mr. ALLARD) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 310

Whereas the well-being of all citizens of the United States is preserved and enhanced as a direct result of the vigilance and dedication of law enforcement personnel;

Whereas more than 850,000 men and women, at great risk to their personal safety, presently serve their fellow citizens as guardians of peace;

Whereas peace officers are on the front line in preserving the right of the children of the United States to receive an education in a crime-free environment, a right that is all too often threatened by the insidious fear caused by violence in schools;

Whereas nearly 150 peace officers across the United States were killed in the line of duty during 2003, well below the decade-long average of 166 deaths annually;

Whereas a number of factors contributed to this reduction in deaths, including better equipment and the increased use of bullet-resistant vests, improved training, longer prison terms for violent offenders, and advanced emergency medical care;

Whereas every other day, 1 out of every 9 peace officers is assaulted, 1 out of every 25 peace officers is injured, and 1 out of every 6,000 peace officers is killed in the line of duty somewhere in the United States; and

Whereas on May 15, 2004, more than 20,000 peace officers are expected to gather in Washington, D.C. to join with the families of their recently fallen comrades to honor those comrades and all others who went before them: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes May 15, 2004, as Peace Officers Memorial Day, in honor of Federal, State, and local officers killed or disabled in the line of duty; and

(2) calls upon the people of the United States to observe this day with appropriate ceremonies and respect.

Mr. CAMPBELL. Madam President, today I am joined by the chairman and ranking member of the Senate Judiciary Committee, Senators HATCH and LEAHY and Senator ALLARD in introducing this resolution to keep alive in the memory of all Americans the sacrifice and commitment of those law enforcement officers who lost their lives serving their communities. Specifically, this resolution would designate May 15, 2004, as National Peace Officers Memorial Day.

As a former deputy sheriff, I know first-hand the risks which law enforcement officers face every day on the frontlines protecting our communities. Currently, more than 850,000 men and women who serve this Nation as our guardians of law and order do so at a great risk. Every year, about 1 in 9 officers is assaulted, 1 in 25 officers is injured, and 1 in 6,000 officers is killed in the line of duty somewhere in America every other day. There are few communities in this country that have not been impacted by the words "officer down."

On September 11, 2001, 72 peace officers died as a result of a cowardly act of terrorism. This single act of terrorism resulted in the highest number of peace officers ever killed in a single incident in the history of this country. Before this event, the greatest loss of law enforcement in a single incident occurred in 1917, when nine Milwaukee police officers were killed in a bomb blast at their police station.

In 2003, nearly 150 Federal, State, tribal and local law enforcement officers gave their lives in the line of duty, well below the decade-long average of 166 deaths annually, and a major drop from 2001 when a total of 230 officers were killed. A number of factors contributed to this reduction including

better equipment and the increased use of bullet-resistant vests, improved training, longer prison terms for violent offenders, and advanced emergency medical care. And, in total, more than 16,000 men and women have made the supreme sacrifice.

The chairman of the National Law Enforcement Officers Memorial Fund, Craig W. Floyd, reminds us that

a police officer is killed in the line of duty somewhere in America nearly every other day. More than 850,000 officers put their lives at risk each and every day for our safety and protection. National Police Week and Peace Officers Memorial Day provide our Nation with an important opportunity to recognize and honor that extraordinary service and sacrifice.

On May 15, 2004, more than 20,000 peace officers are expected to gather in our Nation's Capital to join with the families of their fallen comrades who by their faithful and loyal devotion to their responsibilities have rendered a dedicated service to their communities. In doing so, these heroes have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens. This resolution is a fitting tribute for this special and solemn occasion.

I urge my colleagues to join us in supporting passage of this important resolution.

Mr. LEAHY. Madam President, I proudly rise today to join my colleagues Senators CAMPBELL, HATCH and ALLARD to introduce a resolution to designate May 15, 2004, as National Peace Officers Memorial Day. We submit this resolution to keep alive in the memory of all Americans the sacrifice and commitment of those law enforcement officers who lost their lives serving their communities.

I commend Senator CAMPBELL for his leadership in this issue. This marks the eighth year running, I believe, that he and I have joined forces to introduce the resolution to commemorate National Peace Officers Memorial Day. As a former deputy sheriff, Senator CAMPBELL has experienced first-hand the risks faced by law enforcement officers every day while they protect our communities. His knowledge in this area is a true asset to the U.S. people.

I also want to thank each of our Nation's brave law enforcement officers for their unwavering commitment to the safety and protection of their fellow citizens. They are real-life heroes, too many of whom too often give the ultimate sacrifice, and they remind us of how important it is to support and respect our State and local police.

Currently, more than 850,000 men and women who guard our communities do so at great risk. Each year, 1 in 15 officers is assaulted, 1 in 46 officers is injured, and 1 in 5,255 officers is killed in the line of duty in the United States every other day. After the hijacked planes hit the World Trade Center in New York City on September 11, 2001, 72 peace officers died while trying to ensure that their fellow citizens in those buildings got to safety. That act

of terrorism resulted in the highest number of peace officers ever killed in a single incident in the history of this country.

In 2003, 146 enforcement officers died while serving in the line of duty, well below the decade-long average of 166 deaths annually, and a major drop from 2001 when a total of 237 officers were killed. A number of factors contributed to this reduction including better equipment and the increased use of bullet-resistant vests, improved training, longer prison terms for violent offenders, and advanced emergency medical care. And, in total, more than 17,100 men and women have made the ultimate sacrifice.

During the 108th Congress, we have improved the Department of Justice's Public Safety Officers Benefits (PSOB) program by making law the Hometown Heroes Survivors Benefits Act (Public Law 108-182), which allows survivors of public safety officers who suffer fatal heart attacks or strokes while participating in nonroutine stressful or strenuous physical activities to qualify for Federal survivor benefits. The Senate also passed the Campbell-Leahy Bulletproof Vest Partnership Grant Act (S. 764), which will extend through FY 2007 the authorization of appropriations for the Bulletproof Vest Partnership Grant Program that helps State, tribal and local jurisdictions purchase armor vests for use by law enforcement officers. The House has yet to act on this important measure that will continue our efforts to ensure that every police officer who needs a bulletproof vest gets one. This week, the Senate added to the gun liability bill by a vote of 91-8 the Campbell-Leahy Law Enforcement Officers Safety Act (S. 253). This measure would establish national measures of uniformity and consistency to permit trained and certified on-duty, off-duty or retired law enforcement officers to carry concealed firearms in most situations so that they may respond immediately to crimes across State and other jurisdictional lines, as well as to protect themselves and their families from vindictive criminals. The support for such bills that will keep our law enforcement officers is there, but we need to do more.

We Vermonters this National Peace Officers Memorial Day will remember our brave State Police Officer, SGT Michael Johnson, who was killed last Father's Day while trying to stop a suspect leading two other State troopers on a high-speed chase. Sergeant Johnson was not even on duty, but he went out nonetheless to help his fellow troopers that Sunday afternoon after hearing their trouble on his radio. He had just deployed a set of tire spikes across the interstate when the suspect swerved to avoid the spikes and struck him. Johnson left behind a beloved wife and three children, as well as hundreds of police officers who called him "brother." Words seem insufficient to acclaim the brave sacrifice of the man

who was so admired by his family, community and the Vermont State Police force.

National Peace Officers Memorial Day will provide the people of the United States with the opportunity to honor the extraordinary service and sacrifice given year after year by our police forces. More than 15,000 peace officers are expected to gather in Washington to join with the families of their fallen comrades who, by their last full measure of devotion to their responsibilities and the right and security of their fellow citizens, have rendered a dedicated service to our Nation. I look forward to passage of this important resolution, a fitting tribute for this special and solemn occasion.

SENATE RESOLUTION 311—CALLING ON THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM TO IMMEDIATELY AND UNCONDITIONALLY RELEASE FATHER THADEUS NGUYEN VAN LY, AND FOR OTHER PURPOSES

Mr. BROWNBACK submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 311

Whereas, in February 2001, Father Thadeus Nguyen Van Ly, a Roman Catholic priest, was formally invited to testify before the United States Commission on International Religious Freedom but was denied permission to leave the Socialist Republic of Vietnam and thus, instead, submitted written testimony critical of the Government of Vietnam, which was read into the Commission record on February 13, 2001;

Whereas Father Ly's testimony before the Commission documents numerous specific actions of the Government of Vietnam against religious freedom that he classified as collectively being "extremely cruel" and requiring a "non-violent and persistent campaign" to achieve full religious freedom for all people in Vietnam;

Whereas Father Ly has been detained by the Government of Vietnam since February 2001, when the Government placed him under administrative detention, and, as a direct response to his testimony, branded him a traitor for "slandering" the Communist party and "distorting" the religious policy of the government;

Whereas the Government of Vietnam issued a second decree suspending Father Ly's ability to "carry on any religious responsibility and functions" and later formally removed Father Ly from his church, detained him, and denied him access to legal counsel;

Whereas, on October 19 2001, the Thua Thien Hue Provincial People's Court convicted Father Ly of all charges after a one-day, closed trial without the benefit of counsel and sentenced him to 2 years in prison for violating the terms of his administrative detention, 13 years in prison for, "damaging the Government's unity policy," and 5 years of administrative probation upon release from prison;

Whereas, after pleas from United States Government officials and the world community, Father Ly's sentence was reduced by 5 years;

Whereas, in June 2001, Father Ly's nephews Nguyen Vu Viet, age 27, and Nguyen Truc Cuong, age 36, and his niece Nguyen Thi Hoa, age 44, were arrested for allegedly being in

contact and receiving support from "reactionary" organizations in the United States concerning the religious situation in Vietnam and disseminating information concerning the detention of Father Ly;

Whereas after their cases generated much concern in Congress, Nguyen Thi Hoa, Nguyen Vu Viet, and Nguyen Truc Cuong all have been released;

Whereas, on November 27, 2003, the United Nations Working Group on Arbitrary Detention issued Opinion No. 20/2003 stating that "the Group is convinced that [Father Ly] has been arrested and detained only for his opinions . . . [and] the deprivation of the liberty of Father Thadeus Nguyen Van Ly is arbitrary, as being in contravention of Article 19 of the Universal Declaration of Human Rights and of Article 19 of the International Covenant on Civil and Political Rights";

Whereas Father Ly has been deprived of his basic human rights by being denied his ability to exercise freedom of opinion and expression; and

Whereas the arbitrary imprisonment and the violation of the human rights of citizens of Vietnam are sources of continuing, grave concern to the Congress: Now, therefore, be it

Resolved, That—

(1) the Senate—

(A) condemns and deplores the arbitrary detention of Father Thadeus Nguyen Van Ly by the Government of the Socialist Republic of Vietnam and calls for his immediate and unconditional release;

(B) condemns and deplores the violations of freedom of speech, religion, movement, association, and the lack of due process afforded to individuals in the Socialist Republic of Vietnam;

(C) strongly urges the Government of Vietnam to consider the implications of its actions for the broader relationship between the United States and Vietnam; and

(D) strongly urges the Government of Vietnam to consider the implications of its actions in the context of the United States-Vietnam Bilateral Trade Agreement, under which Vietnam currently receives Normal Trade Relations (NTR) status subject to chapter 1 of title IV of the Trade Act of 1974 (commonly known as the "Jackson-Vanik Amendment"); and

(2) it is the sense of the Senate that the United States should—

(A) make the immediate release of Father Thadeus Nguyen Van Ly a top concern;

(B) make it clear to the Government of Vietnam that it is not in the Government's interest to detain Father Ly and others like him for political or religious reasons or to inflict human rights violations on such people or groups because such actions create obstacles to improved bilateral relations and cooperation with the United States; and

(C) reiterate the deep concern of the United States regarding the continued imprisonment of Father Ly and other persons whose human rights are being violated and discuss the legal status and immediate humanitarian needs of such people with the Government of Vietnam.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2676. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table.

SA 2677. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2678. Mr. GRASSLEY (for himself and Mr. BAUCUS) proposed an amendment to the bill S. 671, to amend the Harmonized Tariff Schedule of the United States to modify temporarily certain rates of duty, to make other technical amendments to the trade laws, and for other purposes.

SA 2679. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table.

SA 2680. Mr. MCCONNELL (for himself and Mr. FRIST) proposed an amendment to amendment SA 2660 proposed by Mr. DODD (for himself, Mr. COLEMAN, Mr. KENNEDY, Mr. CORZINE, Ms. MIKULSKI, and Mr. FEINGOLD) to the bill S. 1637, supra.

SA 2681. Mr. LEVIN (for himself and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2682. Mr. SMITH (for himself, Mrs. LINCOLN, Mr. BUNNING, Mr. WYDEN, Mr. SPECTER, Mr. BREAU, and Mr. KOHL) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2683. Mr. SANTORUM (for himself, Mr. NELSON of Florida, and Mr. KYL) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2684. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2685. Mr. THOMAS (for Mr. MCCAIN (for himself and Mr. WARNER)) proposed an amendment to amendment SA 2660 proposed by Mr. DODD (for himself, Mr. COLEMAN, Mr. KENNEDY, Mr. CORZINE, Ms. MIKULSKI, and Mr. FEINGOLD) to the bill S. 1637, supra.

SA 2686. Mr. BUNNING (for himself, Ms. STABENOW, Mrs. FEINSTEIN, Mr. LEVIN, Mr. KOHL, and Mr. ROCKEFELLER) proposed an amendment to the bill S. 1637, supra.

SA 2687. Mr. GRASSLEY (for Mr. BAYH (for himself, Mr. SANTORUM, Mr. BUNNING, Mr. GRASSLEY, Mr. BAUCUS, and Mr. DORGAN)) proposed an amendment to amendment SA 2686 proposed by Mr. BUNNING (for himself, Ms. STABENOW, Mrs. FEINSTEIN, Mr. LEVIN, Mr. KOHL, and Mr. ROCKEFELLER) to the bill S. 1637, supra.

SA 2688. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2689. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2690. Mrs. FEINSTEIN (for herself, Mr. CONRAD, and Mrs. BOXER) submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

SA 2691. Ms. SNOWE (for herself, Mr. LOTT, Mr. BREAU, Mr. ALLEN, Mr. WARNER, Mrs. BOXER, Mr. BUNNING, Mr. COCHRAN, Ms. COLLINS, Mr. CHAFEE, Mr. DODD, Mrs. DOLE, Mrs. FEINSTEIN, Ms. LANDRIEU, and Mr. KOHL) submitted an amendment intended to be proposed by her to the bill S. 1637, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2676. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, add the following:

SEC. ____ INCREASE IN HISTORIC REHABILITATION CREDIT FOR CERTAIN LOW-INCOME HOUSING FOR THE ELDERLY.

(a) IN GENERAL.—Section 47 (relating to rehabilitation credit) is amended by adding at the end the following new subsection:

“(e) SPECIAL RULE REGARDING CERTAIN HISTORIC STRUCTURES.—In the case of any qualified rehabilitation expenditure with respect to any certified historic structure—

“(1) which is placed in service after the date of the enactment of this subsection,

“(2) which is part of a qualified low-income building with respect to which a credit under section 42 is allowed, and

“(3) substantially all of the residential rental units of which are used for tenants who have attained the age of 65, subsection (a)(2) shall be applied by substituting ‘25 percent’ for ‘20 percent’.”

(b) APPLICATION OF MACRS.—The Internal Revenue Code of 1986 shall be applied and administered as if paragraph (4)(X) of section 251(d) of the Tax Reform Act of 1986 as applied to the amendments made by section 201 of such Act had not been enacted with respect to any property described in such paragraph and placed in service after the date of the enactment of this Act.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to property placed in service after the date of the enactment of this Act.

SA 2677. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, insert the following:

SEC. . NEW MARKETS TAX CREDIT FOR NATIVE AMERICAN RESERVATIONS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by redesignating sections 45E and 45F as sections 45F and 45G, respectively, and by inserting after section 45E the following new section:

“SEC. 45D. NEW MARKETS TAX CREDIT FOR NATIVE AMERICAN RESERVATIONS.

“(a) ALLOWANCE OF CREDIT.—

“(1) IN GENERAL.—For purposes of section 38, in the case of a taxpayer who holds a qualified equity investment on a credit allowance date of such investment which occurs during the taxable year, the Native American new markets tax credit determined under this section for such taxable year is an amount equal to the applicable

percentage of the amount paid to the reservation development entity for such investment at its original issue.

“(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage is—

“(A) 5 percent with respect to the first 3 credit allowance dates, and

“(B) 6 percent with respect to the remainder of the credit allowance dates.

“(3) CREDIT ALLOWANCE DATE.—For purposes of paragraph (1), the term ‘credit allowance date’ means, with respect to any qualified equity investment—

“(A) the date on which such investment is initially made, and

“(B) each of the 6 anniversary dates of such date thereafter.

“(b) QUALIFIED EQUITY INVESTMENT.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified equity investment’ means any equity investment in a reservation development entity if—

“(A) such investment is acquired by the taxpayer at its original issue (directly or through an underwriter) solely in exchange for cash,

“(B) substantially all of such cash is used by the reservation development entity to make qualified low-income reservation investments, and

“(C) such investment is designated for purposes of this section by the reservation development entity.

Such term shall not include any equity investment issued by a reservation development entity more than 5 years after the date that such entity receives an allocation under subsection (f). Any allocation not used within such 5-year period may be reallocated by the Secretary under subsection (f).

“(2) LIMITATION.—The maximum amount of equity investments issued by a reservation development entity which may be designated under paragraph (1)(C) by such entity shall not exceed the portion of the limitation amount allocated under subsection (f) to such entity.

“(3) SAFE HARBOR FOR DETERMINING USE OF CASH.—The requirement of paragraph (1)(B) shall be treated as met if at least 85 percent of the aggregate gross assets of the reservation development entity are invested in qualified low-income reservation investments.

“(4) TREATMENT OF SUBSEQUENT PURCHASERS.—The term ‘qualified equity investment’ includes any equity investment which would (but for paragraph (1)(A)) be a qualified equity investment in the hands of the taxpayer if such investment was a qualified equity investment in the hands of a prior holder.

“(5) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this subsection.

“(6) EQUITY INVESTMENT.—The term ‘equity investment’ means—

“(A) any stock (other than nonqualified preferred stock as defined in section 351(g)(2)) in an entity which is a corporation, and

“(B) any capital interest in an entity which is a partnership.

“(c) RESERVATION DEVELOPMENT ENTITY.—For purposes of this section—

“(1) IN GENERAL.—The term ‘reservation development entity’ means any domestic corporation or partnership if—

“(A) the primary mission of the entity is serving, or providing investment capital for, low-income reservations,

“(B) the entity maintains accountability to residents of low-income reservations through their representation on any governing board of the entity or on any advisory board to the entity, and

“(C) the entity is certified by the Secretary for purposes of this section as being a reservation development entity.

“(2) EXCEPTION.—For purposes of subparagraph (C) of paragraph (1), the Secretary shall not certify an entity as a reservation development entity if such entity is also certified as a qualified community development entity under section 45D(c).

“(d) QUALIFIED LOW-INCOME RESERVATION INVESTMENTS.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified low-income reservation investment’ means—

“(A) any capital or equity investment in, or loan to, any qualified active low-income reservation business,

“(B) the purchase from another reservation development entity of any loan made by such entity which is a qualified low-income reservation investment,

“(C) financial counseling and other services specified in regulations prescribed by the Secretary to businesses located in, and residents of, low-income reservations, and

“(D) any equity investment in, or loan to, any reservation development entity.

“(2) QUALIFIED ACTIVE LOW-INCOME RESERVATION BUSINESS.—

“(A) IN GENERAL.—For purposes of paragraph (1), the term ‘qualified active low-income reservation business’ means, with respect to any taxable year, any corporation (including a nonprofit corporation) or partnership if for such year—

“(i) at least 50 percent of the total gross income of such entity is derived from the active conduct of a qualified business within any low-income reservation,

“(ii) a substantial portion of the use of the tangible property of such entity (whether owned or leased) is within any low-income reservation,

“(iii) a substantial portion of the services performed for such entity by its employees are performed in any low-income reservation,

“(iv) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

“(v) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to non-qualified financial property (as defined in section 1397(c)).

“(B) PROPRIETORSHIP.—Such term shall include any business carried on by an individual as a proprietor if such business would meet the requirements of subparagraph (A) were it incorporated.

“(C) PORTIONS OF BUSINESS MAY BE QUALIFIED ACTIVE LOW-INCOME RESERVATION BUSINESS.—The term ‘qualified active low-income reservation business’ includes any trades or businesses which would qualify as a qualified active low-income reservation business if such trades or businesses were separately incorporated.

“(3) QUALIFIED BUSINESS.—For purposes of this subsection, the term ‘qualified business’ has the meaning given to such term by section 45D(d)(3).

“(e) LOW-INCOME RESERVATION.—For purposes of this section, the term ‘low-income reservation’ means any Indian reservation (as defined in section 168(j)(6)) which has a poverty rate of at least 40 percent.

“(f) NATIONAL LIMITATION ON AMOUNT OF INVESTMENTS DESIGNATED.—

“(1) IN GENERAL.—There is a Native American new markets tax credit limitation of \$50,000,000 for each of calendar years 2004 through 2007.

“(2) ALLOCATION OF LIMITATION.—The limitation under paragraph (1) shall be allocated

by the Secretary among reservation development entities selected by the Secretary. In making allocations under the preceding sentence, the Secretary shall give priority to any entity—

“(A) with a record of having successfully provided capital or technical assistance to disadvantaged businesses or communities, or

“(B) which intends to satisfy the requirement under subsection (b)(1)(B) by making qualified low-income reservation investments in 1 or more businesses in which persons unrelated to such entity (within the meaning of section 267(b) or 707(b)(1)) hold the majority equity interest.

“(3) CARRYOVER OF UNUSED LIMITATION.—If the Native American new markets tax credit limitation for any calendar year exceeds the aggregate amount allocated under paragraph (2) for such year, such limitation for the succeeding calendar year shall be increased by the amount of such excess. No amount may be carried under the preceding sentence to any calendar year after 2014.

“(g) RECAPTURE OF CREDIT IN CERTAIN CASES.—

“(1) IN GENERAL.—If, at any time during the 7-year period beginning on the date of the original issue of a qualified equity investment in a reservation development entity, there is a recapture event with respect to such investment, then the tax imposed by this chapter for the taxable year in which such event occurs shall be increased by the credit recapture amount.

“(2) CREDIT RECAPTURE AMOUNT.—For purposes of paragraph (1), the credit recapture amount is an amount equal to the sum of—

“(A) the aggregate decrease in the credits allowed to the taxpayer under section 38 for all prior taxable years which would have resulted if no credit had been determined under this section with respect to such investment, plus

“(B) interest at the underpayment rate established under section 6621 on the amount determined under subparagraph (A) for each prior taxable year for the period beginning on the due date for filing the return for the prior taxable year involved.

No deduction shall be allowed under this chapter for interest described in subparagraph (B).

“(3) RECAPTURE EVENT.—For purposes of paragraph (1), there is a recapture event with respect to an equity investment in a reservation development entity if—

“(A) such entity ceases to be a reservation development entity,

“(B) the proceeds of the investment cease to be used as required of subsection (b)(1)(B), or

“(C) such investment is redeemed by such entity.

“(4) SPECIAL RULES.—

“(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

“(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.

“(h) BASIS REDUCTION.—The basis of any qualified equity investment shall be reduced by the amount of any credit determined under this section with respect to such investment. This subsection shall not apply for purposes of sections 1202, 1400B, and 1400F.

“(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section, including regulations—

“(1) which limit the credit for investments which are directly or indirectly subsidized by other Federal tax benefits (including the credit under section 42 and the exclusion from gross income under section 103),

“(2) which prevent the abuse of the purposes of this section,

“(3) which provide rules for determining whether the requirement of subsection (b)(1)(B) is treated as met,

“(4) which impose appropriate reporting requirements, and

“(5) which apply the provisions of this section to newly formed entities.”.

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 38 is amended by redesignating paragraphs (14) and (15) as paragraphs (15) and (16), respectively, and by inserting after paragraph (13) the following new paragraph:

“(14) the Native American new markets tax credit determined under section 45E(a).”.

(2) LIMITATION ON CARRYBACK.—Subsection (d) of section 39 is amended by redesignating paragraph (10) as paragraph (11) and by inserting after paragraph (9) the following new paragraph:

“(10) NO CARRYBACK OF NATIVE AMERICAN NEW MARKETS TAX CREDIT BEFORE JANUARY 1, 2004.—No portion of the unused business credit for any taxable year which is attributable to the credit under section 45E may be carried back to a taxable year ending before January 1, 2004.”.

(c) DEDUCTION FOR UNUSED CREDIT.—Subsection (c) of section 196 is amended by redesignating paragraph (10) as paragraph (11), by striking “and” at the end of paragraph (9), and by inserting after paragraph (9) the following new paragraph:

“(10) the Native American new markets tax credit determined under section 45E(a), and”.

(d) CONFORMING AMENDMENTS.—

(1) Section 38(b)(15), as redesignated by subsection (b)(1), is amended—

(A) by striking “45E(c)” and inserting “45F(c)”, and

(B) by striking “45E(a)” and inserting “45F(a)”.

(2) Section 38(b)(16), as redesignated by subsection (b)(1), is amended by striking “45F(a)” and inserting “45G(a)”.

(3) Section 39(d)(11), as redesignated by subsection (b)(2), is amended by striking “section 45E” and inserting “section 45F”.

(4) Section 196(c)(11), as redesignated by subsection (c), is amended by striking “45E(a)” and inserting “45F(a)”.

(5) Section 1016(a)(28) is amended—

(A) by striking “under section 45F” and inserting “under section 45G”, and

(B) by striking “section 45F(f)(1)” and inserting “section 45G(f)(1)”.

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by striking the items relating to sections 45E and 45F and inserting the following:

“Sec. 45E. Native American new markets tax credit.

“Sec. 45F. Small employer pension plan startup costs.

“Sec. 45G. Employer-provided child care credit.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to investments made after December 31, 2003.

(f) GUIDANCE ON ALLOCATION OF NATIONAL LIMITATION.—Not later than 120 days after the date of the enactment of this Act, the Secretary of the Treasury or the Secretary's delegate shall issue guidance which specifies—

(1) how entities shall apply for an allocation under section 45E(f)(2) of the Internal Revenue Code of 1986, as added by this section;

(2) the competitive procedure through which such allocations are made; and

(3) the actions that such Secretary or delegate shall take to ensure that such allocations are properly made to appropriate entities.

(g) AUDIT AND REPORT.—Not later than January 31 of 2007 and 2010, the Comptroller General of the United States shall, pursuant to an audit of the Native American new markets tax credit program established under section 45E of the Internal Revenue Code of 1986 (as added by subsection (a)), report to Congress on such program, including all reservation development entities that receive an allocation under the Native American new markets credit under such section.

(f) GRANTS IN COORDINATION WITH CREDIT.—

(1) IN GENERAL.—The Secretary of the Treasury is authorized to award a grant of not more than \$1,000,000 to the First Nations Oweesta Corporation.

(2) USE OF FUNDS.—The grant awarded under paragraph (1) may be used—

(A) to enhance the capacity of people living on low-income reservations (within the meaning of section 45E(e) of the Internal Revenue Code of 1986, as added by this section) to access, apply, control, create, leverage, utilize, and retain the financial benefits to such low-income reservations which are attributable to qualified low-income reservation investments (within the meaning of section 45E(d) of such Code), and

(B) to provide access to appropriate financial capital for the development of such low-income reservations.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$1,000,000 for fiscal years 2004 through 2014 to carry out the provisions of this subsection.

SA 2678. Mr. GRASSLEY (for himself and Mr. BAUCUS) proposed an amendment to the bill S. 671, to amend the Harmonized Tariff Schedule of the United States to modify temporarily certain rates of duty, to make other technical amendments to the trade laws, and for other purposes; as follows:

In the table following section 1001(b), strike the following headings:

9902.30.90
9902.29.46
9902.30.31
9902.32.14
9902.32.30
9902.32.16
9902.31.14
9902.31.13
9902.30.16
9902.29.23

Strike section 1111 and insert the following:

SEC. 1111. REACTIVE ORANGE 132.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.01.11	Reactive orange 132 (benzenesulfonic acid, 2,2'-[(1-methyl-1,2-ethanediyl)-bis[imino(6-fluoro-1,3,5-triazine-4,2-diyl)imino[2-[(aminocarbon-yl)-amino]]-4,1-phenylene]azo]]bis[5-[(4-sulphophenyl)azo]-, sodium salt) (CAS No. 149850-31-7) (provided for in subheading 3204.16.30)	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1121 and insert the following:

SEC. 1121. PYRACLOSTROBIN.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.01.21	Methyl N-(2-[[1-(4-chlorophenyl)-1H-pyrazol-3-yl]oxymethyl]-phenyl)-N-methoxycarbonate (pyra-clostrobin) (CAS No. 175013-18-0) (provided for in subheading 2933.19.23)	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1124.

Strike section 1131 and insert the following:

SEC. 1131. MIXTURES OF TRIBENURON METHYL AND APPLICATION ADJUVANTS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.01.31 Mixtures of tribenuron methyl (methyl 2-[[[(4-methoxy-6-methyl-1,3,5-triazin-2-yl)methyl- amino]- carbonyl] amino]-sulfonyl]ben-zoate) (CAS No. 101200-48-0) and application adjuvants (provided for in subheading 3808.30.15).	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1146 and insert the following:

SEC. 1146. AVAUNT AND STEWARD.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.01.46	Mixtures of indoxacarb ((S)-methyl 7-chloro-2,5-dihydro-2-[(methoxycarbonyl)[4-(trifluoromethoxy)-phenyl]amino]carbonyl]indeno- [1,2-e][1,3,4]- oxadiazine-4a- (3H)carboxylate) (CAS No. 173584-44-6) and application adjuvants (provided for in subheading 3808.10.25)	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1154 and insert the following:

SEC. 1154. (Z)-(1RS,3RS)-3-(2-CHLORO-3,3,3 TRIFLUORO-1-PROPENYL)-2,2-DIMETHYL-CYCLOPROPANE CARBOXYLIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.01.55	(Z)-(1RS,3RS)-3-(2-Chloro-3,3,3-trifluoro-1-propenyl)-2,2-dimethyl-cyclopropanecarboxylic acid (CAS No. 68127-59-3) (provided for in subheading 2916.20.50)	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1164 and insert the following:

SEC. 1164. P-CRESIDINESULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.01.65	p-Cresidinesulfonic acid (4-amino-5-methoxy-2-methylbenzene- sulfonic acid) (CAS No. 6471-78-9) (provided for in subheading 2922.29.80)	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1167 and insert the following:

SEC. 1167. N-ETHYL-N-(3-SULFOBENZYL)ANILINE, BENZENESULFONIC ACID, 3[(ETHYLPHENYLAMINO)METHYL].

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.01.68	N-Ethyl-N-(3-sulFOBENZYL)aniline (benzenesulfonic acid, 3-[(ethyl-phenylamino)-methyl]-) (CAS No. 101-11-1) (provided for in subheading 2921.42.90)	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1174 and insert the following:

SEC. 1174. ACID BLACK 172.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.01.75	Acid black 172 (chromate(3-), bis[3-(hydroxy-.kappa.O)-4-[[2-(hydroxy.kappa.O)-1-naphthalenyl-azo-.kappa.N1]-7-nitro-1-naphthalenesulfonato(3-)]-, trisodium) (CAS No. 57693-14-8) (provided for in subheading 3204.12.45)	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1213 and insert the following:

SEC. 1213. CERTAIN RUBBER RIDING BOOTS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.02.17	Boots with outer soles and uppers of rubber, such boots extending above the ankle but below the knee, specifically designed for horseback riding, and having a spur rest on the heel counter (provided for in subheading 6401.92.90)	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1215 and insert the following:

SEC. 1215. CHEMICAL NR ETHANOL-BASED.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

9902.02.19	Chemical NR ethanol-based (iron toluene sulfonate) (comprising 60 percent ethanol (CAS No. 64-17-5), 33 percent p-toluenesulfonic acid (CAS No. 6192-52-5), and 7 percent ferric oxide (CAS No. 1309-37-1)) (provided for in subheading 2912.12.00 or 3824.90.28)	Free	No change	No change	On or before 12/31/2005	..
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Strike section 1222 and insert the following:

SEC. 1222. THERMAL RELEASE PLASTIC FILM.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

9902.02.26	Thermal release plastic film (with a substrate of polyolefin-based PET/conductive acrylic polymer, release liner of polyethylene terephthalate PET/polysiloxane, pressure sensitive adhesive of acrylic ester-based copolymer, and core of acrylonitrile-butadiene-styrene copolymer) (provided for in subheading 3919.10.20)	Free	No change	No change	On or before 12/31/2005	..
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Strike section 1225 and insert the following:

SEC. 1225. OBPA.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

9902.02.29	10,10'-Oxybisphenoxarsine (CAS No. 58-36-6) (provided for in subheading 2934.99.18)	Free	No change	No change	On or before 12/31/2005	..
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Strike section 1231 and insert the following:

SEC. 1231. 3-[(4 AMINO-3-METHOXYPHENYL) AZO]-BENZENE SULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

9902.02.35	3-[(Amino-3-methoxyphenyl)-azo]-benzenesulfonic acid (CAS No. 138-28-3) (provided for in subheading 2927.00.50)	Free	No change	No change	On or before 12/31/2005	..
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Strike section 1247 and insert the following:

SEC. 1247. IMIDACLOPRID PESTICIDES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

9902.02.52	Mixtures of imidacloprid (1-[(6-Chloro-3-pyridinyl)-methyl]-N-nitro-2-imidazolidin- mine) (CAS No. 138261-41-3) with application adjuvants (provided for in subheading 3808.10.25)	5.7%	No change	No change	On or before 12/31/2005	..
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Strike section 1290 and insert the following:

SEC. 1290. NECKS USED IN CATHODE RAY TUBES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

9902.02.97	Necks of a kind used in cathode ray tubes (provided for in subheading 7011.20.80)	Free	No change	No change	On or before 12/31/2005	..
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Strike section 1302 and insert the following:

SEC. 1302. MAGENTA 364.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

9902.03.10	5-[4-(4,5-Dimethyl-2-sulfo-phenylamino)-6-hydroxy-[1,3,5]triazin-2-ylamino]-4-hydroxy-3-(1-sulfonaphthalen-2-ylazo)naph- thalene-2,7-disulfonic acid, sodium salt (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2005	..
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Strike section 1303 and insert the following:

SEC. 1303. THIAMETHOXAM TECHNICAL.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

9902.03.11	Thiamethoxam (3-[(2-chloro-5-thiazolyl)methyl]-tetrahydro-5-methyl-N-nitro-1,3,5-oxadiazin-4-imine) (CAS No. 153719-23-4) (provided for in subheading 2934.10.90)	2.6%	No change	No change	On or before 12/31/2004	..
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(b) CALENDAR YEAR 2005.—

(1) IN GENERAL.—Heading 9902.03.11, as added by subsection (a), is amended—

(A) by striking “2.6%” and inserting “2.54%”; and

(B) by striking “On or before 12/31/2004” and inserting “On or before 12/31/2005”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.

(c) CALENDAR YEAR 2006.—

(1) IN GENERAL.—Heading 9902.03.11, as added by subsection (a) and amended by this section, is further amended—

(A) by striking “2.54%” and inserting “3.2%”; and

(B) by striking “On or before 12/31/2005” and inserting “On or before 12/31/2006”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2006.

Strike section 1309 and insert the following:

SEC. 1309. PRODIAMINE TECHNICAL.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.03.19	Prodiamine (2,6-dinitro-N1,N1-dipropyl-4-(trifluoromethyl)-1,3-benzene-diamine (CAS No. 29091-21-2) (provided for in subheading 2921.59.80)	0.53%	No change	No change	On or before 12/31/2004	”.
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(b) CALENDAR YEARS 2005 AND 2006.—

(1) IN GENERAL.—Heading 9902.03.19, as added by subsection (a), is amended—

(A) by striking “0.53%” and inserting “Free”; and

(B) by striking “On or before 12/31/2004” and inserting “On or before 12/31/2006”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.

The article description for heading 9902.03.19, as added by section 1311, is amended by striking “(provided for in subheading 3824.90.28)” and inserting “(provided for in subheading 3824.90.40)”.

Strike section 1327 and insert the following:

SEC. 1327. MAGENTA 364 LIQUID FEED.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.03.39	5-[4-(4,5-Dimethyl-2-sulfo- phenylamino)-6-hydroxy-[1,3,5]triazin-2-ylamino]-4-hydroxy-3-(1-sulfonaphthalen-2-ylazo)naph- thalene-2,7-disulfonic acid, sodium ammonium salt (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1334 and insert the following:

SEC. 1334. DIRECT BLACK 175.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.03.56	Cuprate(4-), [m-[5-[(4,5-dihydro-3-methyl-5-oxo- 1-phenyl-1H-pyrazol-4-yl)azo]-3-[[4'-[[3,6-disulfo-2-hydroxy.kappa.O-1-naphthal- enyl]azo-.kappa.N1]-3,3'-di(hydroxy-.kappa.O)[1,1'-biphenyl]-4-yl]azo-.kappa.N1]-4-(hydroxy-.kappa.O)-2,7-naphtha- lenedisulf-onato(8-)]di-, tetrasodium (direct black 175) (CAS No. 66256-76-6) (provided for in subheading 3204.12.50)	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1336 and insert the following:

SEC. 1336. ACID BLACK 132.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.03.59	[3-(Hydroxy-.kappa.O)-4-[[2-(hydroxy-.kappa.O)-1-naphthalenyl]azo-.kappa.N1]-1-naphthal-enesulfonato (3-)]-[1-[[2-(hydroxy-.kappa.O)-5-[(2-methoxyphenyl)-azophenyl]-azo-.kappa.N1]-2-naphthalenolato (2-).kappa.O]-, disodium (acid black 132) (CAS No. 27425-58-7) (provided for in subheading 3204.12.20)	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1337 and insert the following:

SEC. 1337. ACID BLACK 107.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.03.61	Chromate(2-), [1-[[2-(hydroxy.kappa.O)-3,5-dinitro- phenyl]azo-.kappa.N1]-2-naphthal-enolato(2-)-.kappa.O][3-(hydroxy-.kappa.O)-4-[[2-(hydroxy-.kappa.O)-1-naphthalenyl]-azo.kappa.N1]-7- nitro-1-naphthalenesulfonato(3-)]-, sodium hydrogen (acid black 107) (CAS No. 12218-96-1) (provided for in subheading 3204.12.45)	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1338 and insert the following:

SEC. 1338. ACID YELLOW 219, ACID ORANGE 152, ACID RED 278, ACID ORANGE 116, ACID ORANGE 156, AND ACID BLUE 113.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new headings:

“	9902.03.62	Benzenesulfonic acid, 3-[[3-methoxy-4-[(4-methoxyphenyl)- azo]phenyl]azo]-, sodium salt (acid yellow 219) (CAS No. 71819-57-3) (provided for in subheading 3204.12.50)	Free	No change	No change	On or before 12/31/2005	”.
	9902.03.63	Benzenesulfonic acid, 3-[[4-[[4-(2-hydroxybut- oxy)phenyl]azo]-5-methoxy-2-methyl- phenyl]azo]-, monolithium salt (acid orange 152) (CAS No. 71838-37-4) (provided for in subheading 3204.12.50)	Free	No change	No change	On or before 12/31/2005	
	9902.03.64	Chromate(1-), bis[3-[4-[[5-chloro-2-(hydroxy.kappa.O)- phenyl]azo-.kappa.N1]-4,5-dihydro- 3-methyl-5-(oxo-.kappa.O)-1H-pyrazol-1- yl]benzenesul- fonamidato(2-)]-, sodium (acid red 278) (CAS No. 71819-56-2) (provided for in subheading 3204.12.50)	Free	No change	No change	On or before 12/31/2005	
	9902.03.65	Benzenesulfonic acid, 3-[[4-[(2-ethoxy-5-methylphenyl)- azo]-1-naphthal- enyl]azo]-, so- dium salt (acid orange 116) (CAS No. 12220-10-9) (provided for in subheading 3204.12.50)	Free	No change	No change	On or before 12/31/2005	
	9902.03.66	Benzenesulfonic acid, 4-[[5-meth- oxy-4-[(4-methoxy- phenyl)azo]-2-methyl- phenyl]azo]-, sodium salt (acid orange 156) (CAS No. 68555-86-2) (provided for in subheading 3204.12.50) ...	Free	No change	No change	On or before 12/31/2005	
	9902.03.67	1-Naphthalene- sulfonic acid, 8-(phenylamino)- 5-[[4-[[3- sulfophenyl)- azo]-1- naphthalenyl]-azo]-, disodium salt (acid blue 113) (CAS No. 3351-05-1) (provided for in subheading 3204.12.50)	Free	No change	No change	On or before 12/31/2005	

Strike section 1339.

Strike section 1344 and insert the following:

SEC. 1344. C 12-18 ALKENES, POLYMERS WITH 4-METHYL-1-PENTENE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.03.86	C 12-18 alkenes, polymers with 4-methyl-1-pentene (CAS No. 68413-03-6) (provided for in subheading 3902.90.00)	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1370 and insert the following:

SEC. 1370. FAST YELLOW 2 STAGE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

9902.04.19	1,3-Benzenedicarboxylic acid, 5,5'-[[6-(4-morpholinyl)-1,3,5-triazine-2,4-diyl]bis(imino-4,1-phenyleneazo)]bis-, ammonium/sodium/hydrogen salt (direct yellow 173) (provided for in subheading 3204.14.30).	Free	No change	No change	On or before 12/31/2005	..
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Strike section 1373 and insert the following:

SEC. 1373. YELLOW 746 STAGE.

Subchapter II of chapter 99 of is amended by inserting in numerical sequence the following new heading:

9902.04.26	1,3-Bipyridinium, 3-carboxy-5'-[(2-carboxy-4-sulfophenyl)azo]-1',2'-dihydro-6'-hydroxy-4'-methyl-2'-oxo-, inner salt, lithium/sodium salt (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2005	..
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Strike section 1377 and insert the following:

SEC. 1377. CYAN 485/4 STAGE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

9902.04.30	Copper, [29H,31H-phthalocyaninato(2-)-xN29,xN30,xN31,xN32]-aminosulfonyl-[(2-hydroxy-ethyl)amino]-sulfonylsulfo derivatives, sodium salt (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2005	..
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Strike section 1380 and insert the following:

SEC. 1380. TRIFLUSULFURON METHYL FORMULATED PRODUCT.

(a) CALENDAR YEARS 2004 AND 2005.—Subchapter II of chapter 99 by inserting in numerical sequence the following new heading:

9902.05.01	Mixtures of methyl 2-[[[4-(dimethylamino)- 6-(2,2,2-trifluoroethoxy)-1,3,5-triazin-2-yl]-amino]carbonyl]- amino)sulfonyl]-3-methylbenzoate (CAS No. 126535-15-7) and application adjuvants (provided for in subheading 3808.30.15)	1%	No change	No change	On or before 12/31/2005	..
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(b) CALENDAR YEAR 2006.—

(1) IN GENERAL.—Heading 9902.05.01, as added by subsection (a), is amended—

(A) by striking “1%” and inserting “Free”; and

(B) by striking “On or before 12/31/2005” and inserting “On or before 12/31/2006”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2006.

Strike section 1388 and insert the following:

SEC. 1388. DICHLOROBENZIDINE DIHYDROCHLORIDE.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

9902.03.28	3,3'-Dichlorobenzi-dine dihydrochloride (CAS No. 612-83-9) (provided for in subheading 2921.59.80)	6.3% + 0.2 cents/kg	No change	No change	On or before 12/31/2004	..
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(b) CALENDAR YEARS 2005 AND 2006.—

(1) IN GENERAL.—Heading 9902.03.28, as added by subsection (a), is amended—

(A) by striking “6.3% + 0.2 cents/kg” and inserting “5.1%”; and

(B) by striking “On or before 12/31/2004” and inserting “On or before 12/31/2006”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.

Strike section 1389 and insert the following:

SEC. 1389. KRESOXIM-METHYL.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

9902.03.78	Methyl (E)- methoxyimino- [alpha-(o-tolyloxy)-o-tolyl]- acetate (kresoxim methyl) (CAS No. 143390-89-0) (provided for in subheading 2925.20.60)	3.3%	No change	Free	On or before 12/31/2004	..
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(b) CALENDAR YEARS 2005 AND 2006.—

(1) IN GENERAL.—Heading 9902.03.78, as added by subsection (a), is amended—

(A) by striking “3.3%” and inserting “2.4%”; and

(B) by striking “On or before 12/31/2004” and inserting “On or before 12/31/2006”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.

Strike sections 1392, 1393, and 1394 and insert the following:

SEC. 1392. BENZENEPROPANAL, 4-(1,1-DIMETHYLETHYL)-ALPHA-METHYL.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

9902.05.08	Benzenepropanal, 4-(1,1-dimethylethyl)-alpha-methyl- (CAS No. 80-54-6) (provided for in subheading 2912.29.60)	2.3%	No change	Free	On or before 12/31/2004	..
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(b) CALENDAR YEARS 2005 AND 2006.—

(1) IN GENERAL.—Heading 9902.05.08, as added by subsection (a), is amended—

(A) by striking “2.3%” and inserting “1.7%”; and

(B) by striking “On or before 12/31/2004” and inserting “On or before 12/31/2006”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.

SEC. 1393. 3,7-DICHLORO-8-QUINOLINE CARBOXYLIC ACID.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

9902.05.09	3,7-Dichloro-8-quinolinecarb-oxyllic acid (quinclorac) (CAS No. 84087-01-4) (provided for in subheading 2933.49.30)	3.9%	No change	Free	On or before 12/31/2004	..
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(b) CALENDAR YEARS 2005 AND 2006.—

(1) IN GENERAL.—Heading 9902.05.09, as added by subsection (a), is amended—

(A) by striking “3.9%” and inserting “3.3%”; and

(B) by striking “On or before 12/31/2004” and inserting “On or before 12/31/2006”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.

SEC. 1394. 3-(1-METHYLETHYL)-1H-2,1,3-BENZOTHIADIAZIN-4(3H)-ONE 2,2 DIOXIDE, SODIUM SALT.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.05.10	3-(1-Methyl- ethyl)-1H-2,1,3-benzothiadiazin-4(3H)-one-2,2-dioxide, sodium salt (bentazon, sodium salt) (CAS No. 50723-80-3) (provided for in subheading 2934.99.15)	1.8%	No change	Free	On or before 12/31/2004	”.
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(b) CALENDAR YEARS 2005 AND 2006.—

(1) IN GENERAL.—Heading 9902.05.10, as added by subsection (a), is amended—

(A) by striking “1.8%” and inserting “2.6%”; and

(B) by striking “On or before 12/31/2004” and inserting “On or before 12/31/2006”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.

Strike section 1396 and insert the following:

SEC. 1396. ORYZALIN.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.05.16	Oryzalin (benzenesulfonamide, 4-(dipropylamino)-3,5-dinitro-) (CAS No. 19044-88-3) (provided for in subheading 2935.00.95)	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1409 and insert the following:

SEC. 1409. CERTAIN R-CORE TRANSFORMERS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.85.04	120 volt/60 Hz electrical transformers (the foregoing and parts thereof provided for in subheading 8504.31.40 or 8504.90.95), with dimensions not exceeding 88 mm by 88 mm by 72 mm but at least 82 mm by 69 mm by 43 mm and each containing a layered and uncut round core with two balanced bobbins, the foregoing rated as less than 40 VA but greater than 32.2 VA with a rating number of R25	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1411 and insert the following:

SEC. 1411. BISPYRIBAC SODIUM.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.05.20	Sodium 2,6-bis[(4,6-dimethoxypyrimidin-2-yl)oxy]benzoate (Bispyribac-sodium) (CAS No. 125401-92-5) (provided for in subheading 2933.59.10)	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1414 and insert the following:

SEC. 1414. UNICONAZOLE-P.

Subchapter II is amended by inserting in numerical sequence the following new heading:

“	9902.05.23	(E)-(+)-(S)-1-(4-Chlorophenyl)-4,4-dimethyl-2-(1,2,4-triazol-1-yl)-pent-1-ene-3-ol (Uniconazole) (CAS No. 83657-22-1), mixed with application adjuvants (provided for in subheading 3808.30.15)	Free	No change	No change	On or before 12/31/2005	”.
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Strike section 1417 and insert the following:

SEC. 1417. 2,4-XYLIDINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.05.26	2,4-Xylidine (CAS No. 95-68-1) (provided for in subheading 2921.49.10)	Free	No change	No change	On or before 12/31/2005	”.
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Strike sections 1419 and 1420, and insert the following:

SEC. 1419. NMSBA.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.29.82	4-(Methylsulfonyl)-2-nitrobenzoic acid (CAS No. 110964-79-9) (provided for in subheading 2916.39.45)	0.28%	No change	No change	On or before 12/31/2004	”.
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(b) CALENDAR YEAR 2005.—

(1) IN GENERAL.—Heading 9902.29.82, as added by subsection (a), is amended—

(A) by striking “0.28%” and inserting “0.16%”; and

(B) by striking “On or before 12/31/2004” and inserting “On or before 12/31/2005”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.

(c) CALENDAR YEARS 2006 THROUGH 2008.—

(1) IN GENERAL.—Heading 9902.29.82, as added by subsection (a) and amended by subsection (b), is further amended—

(A) by striking “0.16%” and inserting “1.1%”; and

(B) by striking “On or before 12/31/2005” and inserting “On or before 12/31/2008”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2006.

SEC. 1420. CERTAIN SATELLITE RADIO BROADCASTING APPARATUS.

(a) CALENDAR YEAR 2004.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

“	9902.04.35	Reception apparatus for satellite radio broadcasting, other than satellite radio broadcast receivers described in subheading 8527.21.40 (provided in subheading 8527.90.95)	5.2%	No change	No change	On or before 12/31/2004	”.
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(b) CALENDAR YEAR 2005.—

(1) IN GENERAL.—Heading 9902.04.35, as added by subsection (a), is amended—

(A) by striking “5.2%” and inserting “5.4%”; and

(B) by striking “On or before 12/31/2004” and inserting “On or before 12/31/2005”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2005.

(c) CALENDAR YEAR 2006.—

(1) IN GENERAL.—Heading 9902.04.35, as added by subsection (a) and amended by this section, is further amended—

(A) by striking “5.4%” and inserting “5.5%”; and

(B) by striking “On or before 12/31/2005” and inserting “On or before 12/31/2006”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 2006.

On page 137, between lines 3 and 4, insert the following:

SEC. 1421. ACEPHATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"	9902.30.60	O,S-Dimethyl acetylphosphoramidothioate (Acephate) (CAS No. 30560-19-1) (provided for in subheading 2930.90.44)	Free	No change	No change	On or before 12/31/2005	"
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SEC. 1422. BAGS FOR CERTAIN TOYS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"	9902.01.78	Bags (provided for in subheading 4202.92.45) for transporting, storing, or protecting goods of headings 9502-9504, inclusive, imported and sold with such articles therein	Free	No change	No change	On or before 12/31/2005	"
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On page 137, line 10, strike "12/31/05" and insert "12/31/06".

On page 144, strike lines 3 through 4.

On page 144, strike lines 5 through 7.

On page 144, line 8, strike "(81)" and insert "(79)".

On page 144, between lines 9 and 10, insert the following:

(80) Heading 9902.32.49 (relating to 11-aminoundecanoic acid).

On page 144, line 17, strike "12/21/05" and insert "12/31/06".

On page 144, line 24, strike "12/21/05" and insert "12/31/06".

On page 145, line 7, strike "12/21/05" and insert "12/31/06".

On page 145, line 19, strike "12/21/05" and insert "12/31/06".

On page 146, line 17, strike "12/21/05" and insert "12/31/06".

On page 146, line 24, strike "12/21/05" and insert "12/31/06".

On page 147, line 6, strike "12/21/05" and insert "12/31/06".

On page 147, between lines 14 and 15, insert the following:

(1) CERTAIN RAILWAY CARS.—Heading 9902.86.07 is amended—

(A) in the article description, by striking "138" and inserting "up to 150 passengers."; and

(B) in the effective period column, by striking the date contained therein and inserting "12/31/2006".

(2) OTHER RAILWAY CARS.—Heading 9902.86.08 is amended—

(A) in the article description, by striking "148" and inserting "140"; and

(B) in the effective period column, by striking the date and inserting "12/31/2006".

Strike section 1401.

On page 147, line 19, strike "2003" and insert "2004".

On page 224, before line 1, insert the following:

SEC. 1636. CERTAIN RAILWAY PASSENGER COACHES.

(a) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, upon proper request filed with the United States Customs Service within 180 days after the date of enactment of this Act, the Customs Service shall liquidate or reliquidate the entry described in subsection (c) as free of duty.

(b) REFUND OF AMOUNTS OWED.—Any amounts owed by the United States pursuant to a request for a liquidation or reliquidation of the entry under subsection (a) shall be refunded with interest within 180 days after the date on which request is made.

(c) AFFECTED ENTRY.—The entry referred to in subsection (a) is the entry on July 12, 2002, of railway passenger coaches (provided for in subheading 8605.00.00) (Entry number 2210888343-4).

Strike section 2002 and insert the following:

SEC. 2002. ARTICLES ELIGIBLE FOR PREFERENTIAL TREATMENT UNDER THE ANDEAN TRADE PREFERENCE ACT.

(a) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to subsection (c)—

(1) the entry of any article described in section 204(b)(1)(D) of the Andean Trade Preference Act (as amended by section 3103(a)(2)

of the Trade Act of 2002) for which the President proclaims duty free treatment pursuant to section 204(b)(1) of such Act shall be subject to the rate of duty applicable on August 5, 2002, until such time as the President proclaims duty free treatment for such article; and

(2) such entries shall be liquidated or reliquidated as if the reduced duty preferential treatment applied, and the Secretary of the Treasury shall refund any excess duties paid with respect to such entry.

(b) ENTRY.—As used in this subsection, the term "entry" includes a withdrawal from warehouse for consumption.

(c) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefore is filed with the Customs Service, within 180 days after the date of enactment of this Act, and such request contains sufficient information to enable the Customs Service—

(1) to locate the entry; or

(2) to reconstruct the entry if it cannot be located.

On page 257, strike lines 18 through 21 and insert the following:

(d) TARIFF ACT OF 1930.—Section 505(a) of the Tariff Act of 1930 is amended—

(1) in the first sentence—

(A) by inserting "referred to in this subsection" after "periodic payment"; and

(B) by striking "10 working days" and inserting "12 working days"; and

(2) in the second sentence, by striking "a participating" and all that follows through the end of the sentence and inserting the following: "the Secretary shall promulgate regulations permitting a participating importer of record to deposit estimated duties and fees for entries of merchandise, other than merchandise entered for warehouse, transportation, or under bond, no later than the 15 working days following the month in which the merchandise is entered or released, whichever comes first.".

On page 258, between lines 20 and 21, insert the following:

(g) LIMITATION ON CUSTOMS USER FEES.

(1) Section 13031(b)(9)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(9)(A)) is amended by striking "less than \$2,000" and inserting "\$2,000 or less".

(2) Section 13031(b)(9)(A)(ii) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(9)(A)(ii)) is amended to read as follows:

"(ii) Notwithstanding subsection (e)(6) and subject to the provisions of subparagraph (B), in the case of an express consignment carrier facility or centralized hub facility—

"(I) \$.66 per individual airway bill or bill of lading; and

"(II) if the merchandise is formally entered, the fee provided for in subsection (a)(9), if applicable.".

(3) Section 13031(b)(9)(B)(ii) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(9)(B)(ii)) is amended by striking "subparagraph (A)(ii)" and inserting "subparagraph (A)(ii) (I) or (II)".

(h) DEFINITION OF FABRIC.—Section 112(e) of the African Growth and Opportunity Act (19 U.S.C. 3721(e)) is amended by adding at the end the following:

"(4) FABRIC.—The term 'fabric' includes knit fabric components formed as compo-

nents other than components considered as major parts.".

(i) LABELING REQUIREMENTS.—

(1) IN GENERAL.—Section 4(b) of the Textile Fiber Identification Act (15 U.S.C. 70b) is amended by adding at the end the following new subsection:

"(k) MARKING OF CERTAIN SOCK PRODUCTS.—

"(1) Notwithstanding any other provision of law, socks provided for in subheading 6115.92.90, 6115.93.90, 6115.99.18, 6111.20.60, 6111.30.50, or 6111.90.50 of the Harmonized Tariff Schedule of the United States, as in effect on September 1, 2003, shall be marked as legibly, indelibly, and permanently as the nature of the article or package will permit in such a manner as to indicate to the ultimate consumer in the United States the English name of the country of origin of the article. The marking required by this subsection shall be on the front of the package, adjacent to the size designation of the product, and shall be set forth in such a manner as to be clearly legible, conspicuous, and readily accessible to the ultimate consumer.

"(2) EXCEPTIONS.—Any package that contains several different types of goods and includes socks classified under subheading 6115.92.90, 6115.93.90, 6115.99.18, 6111.20.60, 6111.30.50, or 6111.90.50 of the Harmonized Tariff Schedule of the United States, as in effect on September 1, 2003, shall not be subject to the requirements of paragraph (1).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date that is 15 months after the date of enactment of this Act, and on and after the date that is 15 months after such date of enactment, any provision of part 303 of title 16 of the Code of Federal Regulation that is inconsistent with such amendment shall not apply.

(j) ENTRIES OF CERTAIN APPAREL ARTICLES PURSUANT TO THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT OR THE AFRICAN GROWTH AND OPPORTUNITY ACT.—

(1) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, the Customs Service shall liquidate or reliquidate as free of duty and free of any quantitative restrictions, limitations, or consultation levels entries of articles described in paragraph (4) made on or after October 1, 2000.

(2) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry described in paragraph (4) only if a request therefor is filed with the Customs Service within 90 days after the date of the enactment of this Act and the request contains sufficient information to enable the Customs Service to locate the entry or reconstruct the entry if it cannot be located.

(3) PAYMENT OF AMOUNTS OWED.—Any amounts owed by the United States pursuant to the liquidation or reliquidation of any entry under paragraph (1) shall be paid not later than 180 days after the date of such liquidation or reliquidation.

(4) ENTRIES.—The entries referred to in paragraph (1) are—

(A) entries of apparel articles (other than socks classifiable under heading 6111 or 6115 of the Harmonized Tariff Schedule of the United States) that meet the requirements of section 213(b)(2)(A) of the Caribbean Basin Economic Recovery Act (as amended by section 3107(a) of the Trade Act of 2002 and section 2004(c) of this Act); and

(B) entries of apparel articles that meet the requirements of section 112(b) of the African Growth and Opportunity Act (as amended by section 3108 of the Trade Act of 2002 and section 2004(b) of this Act).

(k) EXTENSION OF INDUSTRY TRADE ADVISORY COMMITTEES.—

(1) IN GENERAL.—Section 135(f)(2) of the Trade Act of 1974 (19 U.S.C. 2155(f)(2)) is amended to read as follows:

“(2) to all other advisory committees which may be established under subsection (c) of this section, except that—

“(A) the meetings of advisory committees established under subsections (b) and (c) of this section shall be exempt from the requirements of subsections (a) and (b) of sections 10 and 11 of the Federal Advisory Committee Act (relating to open meetings, public notice, public participation, and public availability of documents), whenever and to the extent it is determined by the President or the President’s designee that such meetings will be concerned with matters the disclosure of which would seriously compromise the development by the United States Government of trade policy, priorities, negotiating objectives, or bargaining positions with respect to matters referred to in subsection (a) of this section, and that meetings may be called of such special task forces, plenary meetings of chairmen, or other such groups made up of members of the commit-

tees established under subsections (b) and (c) of this section; and

“(B) notwithstanding subsection (a)(2) of section 14 of the Federal Advisory Committee Act, any committee established under subsection (b) or (c) may, in the discretion of the President or the President’s designee, terminate not later than the expiration of the 4-year period beginning on the date of their establishment.”.

(2) CONFORMING AMENDMENT.—Section 135(b)(1) of the Trade Act of 1974 (19 U.S.C. 2155(b)(1)) is amended by striking “2 years” and inserting “4 years or until the committee is scheduled to expire”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on February 1, 2006.

On page 259, strike lines 6 through 8, and insert “amounts authorized to be transferred from funds in the general fund of the Treasury not to exceed \$32,000,000.”

On page 259, line 11, strike “in the” and insert “authorized to the”.

On page 259, beginning on line 23, strike “close of” and all that follows through line 25, and insert “date of enactment of the appropriations authorized under this section.”

On page 260, line 3, strike “\$16,000,000” and insert “an amount not to exceed \$16,000,000”.

On page 260, line 14, strike “\$16,000,000” and insert “an amount not to exceed \$16,000,000”.

On page 261, lines 5 through 7, strike “, and is appropriated out of amounts in the general fund of the Treasury not otherwise appropriated.”.

On page 268, after line 5, insert the following:

TITLE IV—IRAQI CULTURAL ANTIQUITIES

SEC. 4001. SHORT TITLE.

This title may be cited as the “Emergency Protection for Iraqi Cultural Antiquities Act of 2003”.

SEC. 4002. EMERGENCY IMPLEMENTATION OF IMPORT RESTRICTIONS.

(a) AUTHORITY.—The President may exercise the authority of the President under section 304 of the Convention on Cultural Property Implementation Act (19 U.S.C. 2603) with respect to any archaeological or ethnological material of Iraq as if Iraq were a State Party under that Act, except that, in exercising such authority, subsection (c) of such section shall not apply.

(b) DEFINITION.—In this section, the term “archaeological or ethnological material of Iraq” means cultural property of Iraq and other items of archaeological, historical, cultural, rare scientific, or religious importance illegally removed from the Iraq National Museum, the National Library of Iraq, and other locations in Iraq, since the adoption of United Nations Security Council Resolution 661 of 1990.

SEC. 4003. TERMINATION OF AUTHORITY.

The authority of the President under section 4002 shall terminate upon the earlier of—

(1) the date that is 5 years after the date on which the President certifies to Congress that normalization of relations between the United States and the Government of Iraq has been established; or

(2) September 30, 2009.

TITLE V—COTTON FABRICS

SEC. 5001. TEMPORARY DUTY REDUCTIONS FOR CERTAIN COTTON SHIRTING FABRIC.

(a) CERTAIN COTTON SHIRTING FABRICS.—

(1) IN GENERAL.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new headings:

9902.52.08	Woven fabrics of cotton, all the foregoing certified by the importer as suitable for use in making men's and boys' shirts and as imported by or for the benefit of a manufacturer of men's and boys' shirts, subject to the quantity limitations contained in general note 18 of this subchapter (provided for in section 204(b)(3)(B)(i)(III) of the Andean Trade Preference Act (19 U.S.C. 3203))	Free	No change	No change	On or before 12/31/2006
9902.52.09	Woven fabrics of cotton, all the foregoing certified by the importer as containing 100 percent pima cotton grown in the United States, as suitable for use in making men's and boys' shirts, and as imported by or for the benefit of a manufacturer of men's and boys' shirts (provided for in section 204(b)(3)(B)(i)(III) of the Andean Trade Preference Act (19 U.S.C. 3203))	Free	No change	No change	On or before 12/31/2006

(2) DEFINITIONS AND LIMITATION ON QUANTITY OF IMPORTS.—The U.S. Notes to chapter 99 are amended by adding at the end the following:

“17. For purposes of subheadings 9902.52.08 and 9902.52.09, the term ‘making’ means cutting and sewing in the United States, and the term ‘manufacturer’ means a person or entity that cuts and sews in the United States.

“18. The aggregate quantity of cotton fabrics entered under subheading 9902.52.08 from January 1 to December 31 of each year, inclusive, by or on behalf of each manufacturer of men's and boys' shirts shall be limited to 85 percent of the total square meter equivalents of all imported cotton woven fabric used by such manufacturer in cutting and sewing men's and boys' cotton shirts in the United States and purchased by such manufacturer during calendar year 2000.”.

(b) DETERMINATION OF TARIFF-RATE QUOTAS.—

(1) AUTHORITY TO ISSUE LICENSES AND LICENSE USE.—To implement the limitation on the quantity of imports of cotton woven fabrics under subheading 9902.52.08 of the Harmonized Tariff Schedule of the United States, as required by U.S. Note 18 to subchapter II of chapter 99 of such Schedule, for the entry, or withdrawal from warehouse for consumption, the Secretary of Commerce shall issue licenses designating eligible man-

ufacturers and the annual quantity restrictions under each such license. A licensee may assign the authority (in whole or in part) to import fabric under subheading 9902.52.08 of such Schedule.

(2) LICENSES UNDER U.S. NOTE 18.—For purposes of U.S. Note 18 to subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States, as added by subsection (a)(2), a license shall be issued within 60 days of an application containing a notarized affidavit from an officer of the manufacturer that the manufacturer is eligible to receive a license and stating the quantity of imported cotton woven fabric purchased during calendar year 2000 for use in the cutting and sewing men's and boys' shirts in the United States.

(3) AFFIDAVITS.—For purposes of an affidavit described in this subsection, the date of purchase shall be—

(A) the invoice date if the manufacturer is not the importer of record; and

(B) the date of entry if the manufacturer is the importer of record.

SEC. 5002. COTTON TRUST FUND.

(a) IN GENERAL.—There is established in the Treasury of the United States a trust fund to be known as the “Pima Cotton Trust Fund”, consisting of amounts authorized to be transferred from funds in the general fund of the Treasury not to exceed \$32,000,000.

(b) GRANTS.—

(1) GENERAL PURPOSE.—From amounts authorized to the Pima Cotton Trust Fund, the Secretary of Commerce is authorized to provide grants to spinners of United States grown pima cotton, manufacturers of men's and boys' cotton shirting, and a nationally recognized association that promotes the use of pima cotton grown in the United States, to assist such spinners and manufacturers in maximizing United States employment in the production of textile or apparel products and to increase the promotion of the use of United States grown pima cotton respectively.

(2) TIMING FOR GRANT AWARDS.—The Secretary of the Treasury shall, not later than 180 days after the date of enactment of this section, establish guidelines for the application and awarding of the grants described in paragraph (1), and shall award such grants to qualified applicants not later than 90 days after the date of enactment of the appropriations authorized under this section. Each grant awarded under this section shall be distributed to the qualified applicant in 2 equal annual installments.

(3) DISTRIBUTION OF FUNDS.—Of the amounts in the Pima Cotton Trust Fund—

(A) an amount not to exceed \$8,000,000 shall be made available to a nationally recognized association established for the promotion of

pima cotton grown in the United States for the use in textile and apparel goods;

(B) an amount not to exceed \$8,000,000 shall be made available to yarn spinners of pima cotton grown in the United States, and shall be allocated to each spinner based on the percentage of the spinner's production of ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), from pima cotton grown in the United States in single and plied form during calendar year 2002 (as evidenced by an affidavit provided by the spinner), compared to the production of such yarns for all spinners who qualify under this subparagraph; and

(C) an amount not to exceed \$16,000,000 shall be made available to manufacturers who cut and sew cotton shirts in the United States and that certify that they used imported cotton fabric during the period January 1, 1998, through July 1, 2003, and shall be allocated to each manufacturer on the bases of the dollar value (excluding duty, shipping, and related costs) of imported woven cotton shirting fabric of 80s or higher count and 2-ply in warp purchased by the manufacturer during calendar year 2002 (as evidenced by an affidavit from the manufacturer) used in the manufacturing of men's and boys' cotton shirts, compared to the dollar value (excluding duty, shipping, and related costs) of such fabric for all manufacturers who qualify under this subparagraph.

(4) **AFFIDAVIT OF SHIRTING MANUFACTURERS.**—For purposes of paragraph (3)(C), an officer of the manufacturer of men's and boys' shirts shall provide a notarized affidavit affirming—

(A) that the manufacturer used imported cotton fabric during the period January 1, 1998, through July 1, 2003, to cut and sew men's and boys' woven cotton shirts in the United States;

(B) the dollar value of imported woven cotton shirting fabric of 80s or higher count and 2-ply in warp purchased during calendar year 2002;

(C) that the manufacturer maintains invoices along with other supporting documentation (such as price lists and other technical descriptions of the fabric qualities) showing the dollar value of such fabric purchased, the date of purchase, and evidencing the fabric as woven cotton fabric of 80s or higher count and 2-ply in warp; and

(D) that the fabric was suitable for use in the manufacturing of men's and boys' cotton shirts.

(5) **DATE OF PURCHASE.**—For purposes of the affidavit required by paragraph (4), the date of purchase shall be the invoice date, and the dollar value shall be determined excluding duty, shipping, and related costs.

(6) **AFFIDAVIT OF YARN SPINNERS.**—For purposes of paragraph (3)(B), an officer of a company that produces ring-spun yarns shall provide a notarized affidavit affirming—

(A) that the manufacturer used pima cotton grown in the United States during the period January 1, 2002, through December 31, 2002, to produce ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during 2002;

(B) the quantity, measured in pounds, of ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during calendar year 2002; and

(C) that the manufacturer maintains supporting documentation showing the quantity of such yarns produced, and evidencing the yarns as ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during calendar year 2002.

(7) **NO APPEAL.**—Any grant awarded by the Secretary under this section shall be final and not subject to appeal or protest.

(c) **AUTHORIZATION.**—There is authorized to be appropriated such sums as are necessary to carry out the provisions of this section, including funds necessary for the administration and oversight of the grants provided for in this section.

TITLE VI—Technical Amendments Relating to Entry and Protest

SEC. 6001. ENTRY OF MERCHANDISE.

(a) **IN GENERAL.**—Section 484(a) of the Tariff Act of 1930 (19 U.S.C. 1484) is amended—

(1) by amending paragraph (1)(A) to read as follows:

“(A) make entry therefor by filing with the Customs Service—

“(i) such documentation; or

“(ii) pursuant to an electronic data interchange system, such information as is necessary to enable the Customs Service to determine whether the merchandise may be released from customs custody; and”;

(2) in paragraph (1)(B), by inserting after “entry” the following: “, or substitute 1 or more reconfigured entries on an import activity summary statement,”; and

(3) in paragraph (2)(A)—

(A) by inserting after “statements” the following: “and permit the filing of reconfigured entries,”; and

(B) by adding at the end the following: “Entries filed under paragraph (1)(A) shall not be liquidated if covered by an import activity summary statement, but instead each reconfigured entry in the import activity summary statement shall be subject to liquidation or reliquidation pursuant to section 500, 501, or 504.”;

(b) **RECONCILIATION.**—Section 484(b)(1) of the Tariff Act of 1930 (19 U.S.C. 1484(b)(1)) is amended by striking “15 months” and inserting “21 months”.

SEC. 6002. LIMITATION ON LIQUIDATIONS.

Section 504 of the Tariff Act of 1930 (19 U.S.C. 1504) is amended—

(1) in subsection (a)—

(A) by striking “or” at the end of paragraph (3);

(B) in paragraph (4), by striking “filed;” and inserting “filed, whichever is earlier; or”; and

(C) by inserting after paragraph (4) the following:

“(5) if a reconfigured entry is filed under an import activity summary statement, the date the import activity summary statement is filed or should have been filed, whichever is earlier;”;

(2) by striking “at the time of entry” each place it appears.

SEC. 6003. PROTESTS.

Section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking “(relating to refunds and errors) of this Act” and inserting “(relating to refunds), any clerical error, mistake of fact, or other inadvertence, whether or not resulting from or contained in an electronic transmission, adverse to the importer, in any entry, liquidation, or reliquidation, and”;

(B) in paragraph (5), by inserting “, including the liquidation of an entry, pursuant to either section 500 or section 504;” after “thereof”; and

(C) in paragraph (7), by striking “(c) or”; and

(2) in subsection (c)—

(A) in paragraph (1), in the sixth sentence, by striking “A protest may be amended,” and inserting “Unless a request for accelerated disposition is filed under section 515(b), a protest may be amended,”;

(B) in paragraph (3)(A), by striking “notice of” and inserting “date of”; and

(C) in paragraph (3)—

(i) by striking “ninety days” and inserting “180 days”; and

(ii) by striking “90 days” and inserting “180 days”.

SEC. 6004. REVIEW OF PROTESTS.

Section 515(b) of the Tariff Act of 1930 (19 U.S.C. 1515(b)) is amended by striking “after ninety days” and inserting “concurrent with or”.

SEC. 6005. REFUNDS AND ERRORS.

Section 520(c) of the Tariff Act of 1930 (19 U.S.C. 1520(c)) is repealed.

SEC. 6006. DEFINITIONS AND MISCELLANEOUS PROVISIONS.

Section 401 of the Tariff Act of 1930 (19 U.S.C. 1401) is amended by adding at the end the following:

“(t) **RECONFIGURED ENTRY.**—The term ‘reconfigured entry’ means an entry filed on an import activity summary statement which substitutes for all or part of 1 or more entries filed under section 484(a)(1)(A) or filed on a reconciliation entry that aggregates the entry elements to be reconciled under section 484(b) for purposes of liquidation, reliquidation, or protest.”.

SEC. 6007. VOLUNTARY RELIQUIDATIONS.

Section 501 of the Tariff Act of 1930 (19 U.S.C. 1501) is amended by inserting “or 504” after “section 500”.

SEC. 6008. EFFECTIVE DATE.

The amendments made by this title shall apply to merchandise entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

TITLE VII—EXTENSION OF SUSPENSIONS

SEC. 7001. EXTENSION OF DUTY SUSPENSIONS.

Except as provided in sections 1303, 1309, 1380, 1388, 1389, 1392, 1393, 1394, 1419, and 1420, each of the headings of the Harmonized Tariff Schedule added by chapter 1 of subtitle A of title I is amended by striking the date in the effective period column and inserting “12/31/2006”.

SA 2679. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. SENSE OF THE SENATE.

(a) **FINDINGS.**—The Senate makes the following findings:

(1) Manufacturing is critical to the health of the United States economy, generating high quality products, personal opportunity, careers, wealth, high standards of living, and economic growth.

(2) In July 2000 the manufacturing sector slipped into recession and since has lost 2,700,000 high paying manufacturing jobs, while the rest of the economy has added 623,000 jobs.

(3) The manufacturing sector faces intense global competition, making it difficult for many firms to operate profitably and earn a sufficient return on capital invested.

(4) The manufacturing sector in the United States seeks a global level playing field for competition and markets.

(5) China entered the World Trade Organization (WTO) in December 2001 and agreed to abide by the commitments ascribed in its accession.

(6) United States investors and exporters recognize the opportunity of doing business with China but have raised serious concerns that many of the commitments China made upon joining the WTO have not yet been implemented or implementation has been inadequate.

(7) A clear example of injury committed by China to a United States industry can be found in the United States candle industry, where between 1997 and 2002, imports of wax candles from China increased from 46,000,000 pounds to 174,000,000 pounds and where in 2002 alone, the United States candle industry lost 128,000,000 pounds in sales to the Chinese.

(8) Market barriers and unfair trade practices continue to exist in China, including high tariffs, subsidies, technical trade restrictions, counterfeiting, violations of intellectual property rights, and nonmarket-based industrial, economic, and financial policies that limit United States exports.

(9) United States manufacturers will not be able to achieve a fair and level playing field with their Chinese counterparts because of the costs associated with the United States regulatory framework, e.g., compliance with labor and environmental regulations, as well as healthcare costs, which are non-existent costs for Chinese companies.

(10) The currency of China, the yuan, has been fixed relative to the United States dollar since 1994.

(11) A systemically misvalued currency by any large country can have damaging trade-distorting effects on both that country and its trading partners by decreasing the price of exports of products of that country and increasing the price of imports to that country.

(12) The market-based valuation of currencies is a key component to resilient global trading systems by enabling smoother transitions to reflect underlying economic fundamentals in a country.

(13) The President's Chairman of the Council of Economic Advisors recently described the outsourcing of American jobs overseas "as a good thing" and said, "outsourcing is just a new way of doing international trade".

(14) Job retention and creation are essential to the economic stability of the United States and the administration should pursue policies that serve as an engine for economic growth, higher wage jobs, and increased productivity.

(15) A salient example of the trade barriers faced by United States manufacturers is the lack of adequate intellectual property protection and enforcement in the markets of some of America's major trading partners.

(16) For United States manufacturers, protection of intellectual property is not an abstract concept. America's competitive edge ensues directly from innovation and rising productivity. Intellectual property protection is the best means for ensuring that American manufacturers enjoy the benefits of their investments in research and development and of their efforts to raise productivity.

(17) To the extent that United States investment in research and development provides a competitive edge in the marketplace, the protection of the intellectual property developed by United States manufacturers, which embodies the product of that research, becomes critical to the future of the manufacturing sector.

(18) It is estimated that counterfeits account for 15 to 20 percent of all products made in China and accounts for about 8 percent of China's Gross Domestic Product.

(19) Industry analysts estimate that intellectual property rights piracy in China cost United States firms \$1,850,000,000 in lost sales in 2002.

(20) Under the terms of China's WTO accession, China agreed to immediately bring its intellectual property rights laws in compliance with the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS).

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the United States Trade Representative should continue to actively encourage China's compliance with its WTO commitments, specifically with regard to intellectual property rights violations;

(2) the Secretary of the Treasury should encourage the Chinese to make the significant structural reforms, particularly in the banking sector, to ensure that China can effectively adopt a more flexible exchange rate regime;

(3) the Senate urges the President, the Secretary of the Treasury, and the United States Trade Representative to continue their strong dialogue with China, and if these discussions fail to produce immediate, meaningful results, the Senate urges the United States Trade Representative to commence a review under section 301 of the Trade Act of 1974;

(4) the Senate should oppose any efforts to encourage the outsourcing of American jobs overseas;

(5) the Senate should adopt legislation providing for a manufacturing tax incentive to encourage job creation in the United States and oppose efforts to make it cheaper to send jobs overseas;

(6) the Secretary of Commerce should aggressively pursue those foreign producers and importers who have violated United States trade law and when violations have resulted in the injury of United States industry, the Secretary of Commerce should impose the maximum penalty within the confines of our trade laws;

(7) the United States Trade Representative should promote the protection of United States intellectual property abroad by expanding cooperative efforts with developing country trading partners to encourage the full implementation of their obligations under the WTO's Agreement on Trade Related Aspects of Intellectual Property (TRIPS);

(8) the administration should pursue a policy of aggressive investigation of allegations of theft of intellectual property, particularly allegations in which American manufacturers are compelled to divulge intellectual property as a condition of market access or investment; and

(9) the administration should pursue a policy of aggressive enforcement of our existing intellectual property laws, and in so doing, shall continue to work hand in hand with business and industry to identify and prosecute counterfeiters.

SA 2680. Mr. MCCONNELL (for himself and Mr. FRIST) proposed an amendment to amendment SA 2660 proposed by Mr. DODD (for himself, Mr. COLEMAN, Mr. KENNEDY, Mr. CORZINE, Ms. MIKULSKI, and Mr. FEINGOLD) to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; as follows:

On page 7, strike lines 10 through 14 and insert the following:

This title and the amendments made by this title shall take effect 30 days after the

Secretary of Commerce certifies that the amendments made by this title will not result in the loss of more jobs than it will protect and will not cause harm to the U.S. economy. Such certification must be renewed on or before January 1 of each year in order for the amendments made by this title to be in effect for that year.

SA 2681. Mr. LEVIN (for himself and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE V—MISCELLANEOUS PROVISIONS
SEC. 501. SENSE OF CONGRESS REGARDING NEGOTIATING, IN THE UNITED STATES—THAILAND FREE TRADE AGREEMENT, ACCESS TO THE UNITED STATES AUTOMOBILE INDUSTRY.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States Trade Representative recently announced an intention to negotiate a free trade agreement (FTA) with Thailand.

(2) Properly structured FTAs may have important benefits for the United States, and a bilateral free trade agreement program pursued under a coherent policy and strategy may play an important role in United States trade policy.

(3) The global automobile market is subject to inherently multilateral problems that need to be addressed on a multilateral basis, including numerous, widespread, and complex nontariff barriers maintained by major producing countries.

(4) Providing Thailand privileged access to critical segments of the United States automobile market would significantly erode United States leverage to negotiate reductions to global automobile market distortions in multilateral negotiations, because producers from third countries would be able to benefit from the privileged access of Thailand under the FTA.

(5) Thailand is the second largest source of pick-up truck production in the world, with many major automobile manufacturers from outside of Thailand producing pick-up trucks there.

(6) Thailand's Board of Investment has actively been recruiting automobile producers from outside of Thailand, including Japan, South Korea, and India, to produce automobiles in Thailand, and some of these producers have cited Thailand's privileged access to foreign markets through FTAs as a rationale for setting up production in Thailand.

(7) Many of these producers from outside of Thailand have moved their pick-up truck production out of their home countries and into Thailand in order to make Thailand their global pick-up truck production and export bases.

(8) As a result of this activity by automobile producers from outside of Thailand, pick-up truck production in Thailand will soon approach 1,000,000 units annually, and could grow even larger.

(9) Given these facts, if Thailand were given privileged access to critical segments of the United States automobile market in an FTA, it could be used by third-country automobile producers as a backdoor into the

United States market; however, Japan, South Korea, India, and other major producing countries would not be required to reduce their tariff and nontariff barriers to United States automobile producers, and in fact the tariff and nontariff barriers maintained by those countries would continue to distort global markets and restrict the access of United States exports to markets in those countries.

(10) Given that these third-country producers would already have privileged access to the United States market through the United States-Thailand FTA, their home countries would have less incentive to address the inherently multilateral problems in the global automobile market through negotiations on a multilateral basis.

(11) The United States automobile industry is a major driver of the United States economy—accounting annually for between 3 and 4 percent of the gross domestic product (GDP) of the United States, leading all United States industries in annual research and development spending, directly employing over 500,000 highly skilled and efficient workers in jobs that pay on average 60 percent higher than the average United States job, and supporting the jobs of over 7,000,000 other workers—and it has played a critical role in efforts to revive the United States economy.

(b) SENSE OF CONGRESS.—It is the sense of Congress that negotiations on access to critical segments of the United States automobile market should not take place on a piecemeal basis, but only—

(1) as part of negotiations that include all major automobile producing nations; and

(2) as part of comprehensive negotiations that address both tariff and nontariff barriers specific to the automobile industry, with progress on eliminating tariff barriers explicitly linked to concrete progress on eliminating nontariff barriers.

SA 2682. Mr. SMITH (for himself, Mrs. LINCOLN, Mr. BUNNING, Mr. WYDEN, Mr. SPECTER, Mr. BREAU, and Mr. KOHL) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, insert the following:

SEC. ____ . PREMIUMS FOR MORTGAGE INSURANCE.

(a) IN GENERAL.—Paragraph (3) of section 163(h) (relating to qualified residence interest) is amended by adding after subparagraph (D) the following new subparagraph:

“(E) MORTGAGE INSURANCE PREMIUMS TREATED AS INTEREST.—

“(i) IN GENERAL.—Premiums paid or accrued for qualified mortgage insurance by a taxpayer during the taxable year in connection with acquisition indebtedness with respect to a qualified residence of the taxpayer shall be treated for purposes of this subsection as qualified residence interest.

“(ii) PHASEOUT.—The amount otherwise allowable as a deduction under clause (i) shall be reduced (but not below zero) by 10 percent of such amount for each \$1,000 (\$500 in the case of a married individual filing a separate return) (or fraction thereof) that the taxpayer's adjusted gross income for the taxable year exceeds \$100,000 (\$50,000 in the case of a

married individual filing a separate return).”.

(b) DEFINITION AND SPECIAL RULES.—Paragraph (4) of section 163(h) (relating to other definitions and special rules) is amended by adding at the end the following new subparagraphs:

“(E) QUALIFIED MORTGAGE INSURANCE.—The term ‘qualified mortgage insurance’ means—

“(i) mortgage insurance provided by the Home Loan Guaranty Program of the Department of Veterans Affairs, the Federal Housing Administration, or the Rural Housing Administration, and

“(ii) private mortgage insurance (as defined by section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901), as in effect on the date of the enactment of this subparagraph).

“(F) SPECIAL RULES FOR PREPAID QUALIFIED MORTGAGE INSURANCE.—Any amount paid by the taxpayer for qualified mortgage insurance that is properly allocable to any mortgage the payment of which extends to periods that are after the close of the taxable year in which such amount is paid shall be chargeable to capital account and shall be treated as paid in such periods to which so allocated. No deduction shall be allowed for the unamortized balance of such account if such mortgage is satisfied before the end of its term. The preceding sentences shall not apply to amounts paid for qualified mortgage insurance provided by the Department of Veterans Affairs or the Rural Housing Administration.”.

(c) INFORMATION RETURNS RELATING TO MORTGAGE INSURANCE.—Section 6050H (relating to returns relating to mortgage interest received in trade or business from individuals) is amended by adding at the end the following new subsection:

“(h) RETURNS RELATING TO MORTGAGE INSURANCE PREMIUMS.—

“(1) IN GENERAL.—The Secretary may prescribe, by regulations, that any person who, in the course of a trade or business, receives from any individual premiums for mortgage insurance aggregating \$600 or more for any calendar year, shall make a return with respect to each such individual. Such return shall be in such form, shall be made at such time, and shall contain such information as the Secretary may prescribe.

“(2) STATEMENT TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under paragraph (1) shall furnish to each individual with respect to whom a return is made a written statement showing such information as the Secretary may prescribe. Such written statement shall be furnished on or before January 31 of the year following the calendar year for which the return under paragraph (1) was required to be made.

“(3) SPECIAL RULES.—For purposes of this subsection—

“(A) rules similar to the rules of subsection (c) shall apply, and

“(B) the term ‘mortgage insurance’ means—

“(i) the Home Loan Guaranty Program of the Department of Veterans Affairs, and mortgage insurance provided by the Federal Housing Administration or the Rural Housing Administration, and

“(ii) private mortgage insurance (as defined by section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901), as in effect on the date of the enactment of this subparagraph).”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or accrued after the date of enactment of this Act in taxable years ending after such date.

SA 2683. Mr. SANTORUM (for himself, Mr. NELSON of Florida, and Mr. KYL) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 166 of amendment number 2645, as agreed to, between lines 15 and 16, insert the following:

SEC. ____ . 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS ENTERTAINMENT COMPLEXES.

(a) 7-YEAR PROPERTY.—Subparagraph (C) of section 168(e)(3) of the Internal Revenue Code of 1986 (relating to classification of certain property) is amended by redesignating clause (ii) as clause (iii) and by inserting after clause (i) the following new clause:

“(ii) any motorsports entertainment complex, and”.

(b) DEFINITION.—Section 168(i) of such Code (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

“(15) MOTORSPORTS ENTERTAINMENT COMPLEX.—

“(A) IN GENERAL.—The term ‘motorsports entertainment complex’ means a racing track facility that is permanently situated on land and which during the applicable period is scheduled to host one or more racing events for automobiles (of any type), trucks, or motorcycles that are open to the public for the price of admission.

“(B) ANCILLARY AND SUPPORT FACILITIES.—Such term shall include, if owned by the complex and provided for the benefit of patrons of the complex—

“(i) ancillary grounds and facilities and land improvements in support of the complex's activities (including parking lots, sidewalks, waterways, bridges, fences, and landscaping),

“(ii) support facilities (including food and beverage retailing, souvenir vending, and other nonlodging accommodations), and

“(iii) appurtenances associated with such facilities and related attractions and amusements (including ticket booths, race track surfaces, suites and hospitality facilities, grandstands and viewing structures, props, walls, facilities that support the delivery of entertainment services, other special purpose structures, facades, shop interiors, and buildings).

“(C) EXCEPTION.—Such term shall not include any transportation equipment, administrative services assets, warehouses, administrative buildings, hotels, or motels.

“(D) APPLICABLE PERIOD.—For purposes of subparagraph (A), the term ‘applicable period’ means the period ending the later of the last day of—

“(i) the 24 month period following the first day of the month in which the asset is or was placed in service, or

“(ii) the 24 month period ending December 31, 2003, to the extent that the asset remains in service during such period.”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to any property placed in service before, on, or after the date of the enactment of this Act.

(2) TRANSITION RULE FOR PROPERTY PLACED IN SERVICE ON OR BEFORE ENACTMENT.—In the case of property placed in service on or before the date of the enactment of this Act,

the taxpayer may elect (in such form and manner as the Secretary may prescribe), not to apply section 168 of the Internal Revenue Code of 1986 (as amended by this section) to such property.

SA 2684. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

**TITLE —UNEMPLOYMENT
COMPENSATION**

SEC. 01. EXTENSION OF THE TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 2002.

(a) IN GENERAL.—Section 208 of the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107-147; 116 Stat. 30), as amended by Public Law 108-1 (117 Stat. 3) and the Unemployment Compensation Amendments of 2003 (Public Law 108-26; 117 Stat. 751), is amended—

(1) in subsection (a)(2), by striking “December 31, 2003” and inserting “June 30, 2004”;

(2) in subsection (b)(1), by striking “December 31, 2003” and inserting “June 30, 2004”;

(3) in subsection (b)(2)—

(A) in the heading, by striking “DECEMBER 31, 2003” and inserting “JUNE 30, 2004”; and

(B) by striking “December 31, 2003” and inserting “June 30, 2004”; and

(4) in subsection (b)(3), by striking “March 31, 2004” and inserting “September 30, 2004”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107-147; 116 Stat. 21).

SEC. 02. ADDITIONAL REVISION TO CURRENT TEUC-X TRIGGER.

(a) IN GENERAL.—Section 203(c)(2)(B) of the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107-147; 116 Stat. 30) is amended to read as follows:

“(B) such a period would then be in effect for such State under such Act if—

“(i) section 203(d) of such Act were applied as if it had been amended by striking ‘5’ each place it appears and inserting ‘4’; and

“(ii) with respect to weeks of unemployment beginning after December 27, 2003—

“(I) paragraph (1)(A) of such section 203(d) did not apply; and

“(II) clause (ii) of section 203(f)(1)(A) of such Act did not apply.”.

(b) APPLICATION.—Section 203(c)(2)(B)(ii) of the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107-147; 116 Stat. 30), as added by subsection (a), shall apply with respect to payments for weeks of unemployment beginning on or after the date of enactment of this Act.

SEC. 03. TEMPORARY STATE AUTHORITY TO WAIVE APPLICATION OF LOOKBACKS UNDER THE FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1970.

For purposes of conforming with the provisions of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note), a State may, during the period beginning on the date of enactment of this Act and ending on June 30, 2004, waive the application of either subsection (d)(1)(A) of section 203 of such Act or subsection (f)(1)(A)(ii) of such section, or both.

SA 2685. Mr. THOMAS (for Mr. MCCAIN (for himself and Mr. WARNER)) proposed an amendment to amendment SA 2660 proposed by Mr. DODD (for himself, Mr. COLEMAN, Mr. KENNEDY, Mr. CORZINE, Ms. MIKULSKI, and Mr. FEINGOLD) to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; as follows:

On page 5, insert after line 16 the following:

(e) NATIONAL SECURITY EXEMPTION.—Subsection (b) shall not apply to any procurement for national security purposes entered into by:

(1) the Department of Defense or any agency or entity thereof;

(2) the Department of the Army, the Department of the Navy, the Department of the Air Force, or any agency or entity of any of the military departments;

(3) the Department of Homeland Security;

(4) the Department of Energy or any agency or entity thereof, with respect to the national security programs of that Department; or

(5) any element of the intelligence community.

SA 2686. Mr. BUNNING (for himself, Ms. STABENOW, Mrs. FEINSTEIN, Mr. LEVIN, Mr. KOHL, and Mr. ROCKEFELLER) proposed an amendment to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; as follows:

On page 71, strike lines 17 through 21, and the matter before line 22, and insert the following:

“(2) PHASEIN.—In the case of taxable years beginning in 2004, 2005, 2006, 2007, or 2008, paragraph (1) shall be applied by substituting for the percentage contained therein the transition percentage determined under the following table:

“Taxable years beginning in:	The transition percentage is:
2004, 2005, or 2006	5
2007	6
2008	7.

SA 2687. Mr. GRASSLEY (for Mr. BAYH (for himself, Mr. SANTORUM, Mr. BUNNING, Mr. GRASSLEY, Mr. BAUCUS, and Mr. DORGAN)) proposed an amendment to amendment SA 2686 proposed by Mr. BUNNING (for himself, Ms. STABENOW, Mrs. FEINSTEIN, Mr. LEVIN, Mr. KOHL, and Mr. ROCKEFELLER) to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; as follows:

At the end of the amendment add the following:

TITLE V—EXTENSIONS OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Extensions

SEC. 501. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) IN GENERAL.—Section 9812(f) is amended—

(1) by striking “and” at the end of paragraph (1), and

(2) by striking paragraph (2) and inserting the following new paragraphs:

“(2) on or after January 1, 2004, and before the date of the enactment of the Jumpstart Our Business Strength (JOBS) Act, and

“(3) after December 31, 2005.”.

(b) ERISA.—Section 712(f) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185a(f)) is amended by striking “on or after December 31, 2004” and inserting “after December 31, 2005”.

(c) PHSA.—Section 2705(f) of the Public Health Service Act (42 U.S.C. 300gg-5(f)) is amended by striking “on or after December 31, 2004” and inserting “after December 31, 2005”.

(d) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to benefits for services furnished on or after December 31, 2003.

(2) SUBSECTIONS (b) AND (c).—The amendments made by subsections (b) and (c) shall apply to benefits for services furnished on or after December 31, 2004.

SEC. 502. MODIFICATIONS TO WORK OPPORTUNITY CREDIT AND WELFARE-TO-WORK CREDIT.

(a) EXTENSION OF CREDIT.—

(1) Subparagraph (B) of section 51(c)(4) is amended by striking “December 31, 2003” and inserting “December 31, 2005”.

(2) Subsection (f) of section 51A is amended by striking by striking “December 31, 2003” and inserting “December 31, 2005”.

(b) ELIGIBILITY OF EX-FELONS DETERMINED WITHOUT REGARD TO FAMILY INCOME.—Paragraph (4) of section 51(d) is amended by adding “and” at the end of subparagraph (A), by striking “, and” at the end of subparagraph (B) and inserting a period, and by striking all that follows subparagraph (B).

(c) INCREASE IN MAXIMUM AGE FOR ELIGIBILITY OF FOOD STAMP RECIPIENTS.—Clause (i) of section 51(d)(8)(A) is amended by striking “25” and inserting “40”.

(d) INCREASE IN MAXIMUM AGE FOR DESIGNATED COMMUNITY RESIDENTS.—

(1) IN GENERAL.—Paragraph (5) of section 51(d) is amended to read as follows:

“(5) DESIGNATED COMMUNITY RESIDENTS.—

“(A) IN GENERAL.—The term ‘designated community resident’ means any individual who is certified by the designated local agency—

“(i) as having attained age 18 but not age 40 on the hiring date, and

“(ii) as having his principal place of abode within an empowerment zone, enterprise community, or renewal community.

“(B) INDIVIDUAL MUST CONTINUE TO RESIDE IN ZONE OR COMMUNITY.—In the case of a designated community resident, the term ‘qualified wages’ shall not include wages paid or incurred for services performed while the individual’s principal place of abode is outside an empowerment zone, enterprise community, or renewal community.”

(2) CONFORMING AMENDMENT.—Subparagraph (D) of section 51(d)(1) is amended to read as follows:

“(D) a designated community resident.”.

(e) CLARIFICATION OF TREATMENT OF INDIVIDUALS UNDER INDIVIDUAL WORK PLANS.—Subparagraph (B) of section 51(d)(6) (relating to vocational rehabilitation referral) is amended by striking “or” at the end of

clause (i), by striking the period at the end of clause (ii) and inserting “, or”, and by adding at the end the following new clause:

“(iii) an individual work plan developed and implemented by an employment network pursuant to subsection (g) of section 1148 of the Social Security Act with respect to which the requirements of such subsection are met.”

(f) EFFECTIVE DATES.—

(1) EXTENSION OF CREDITS.—The amendments made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2003.

(2) MODIFICATIONS.—The amendments made by subsections (b), (c), (d), and (e) shall apply to individuals who begin work for the employer after December 31, 2004.

SEC. 503. CONSOLIDATION OF WORK OPPORTUNITY CREDIT WITH WELFARE-TO-WORK CREDIT.

(a) IN GENERAL.—Paragraph (1) of section 51(d) is amended by striking “or” at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting “, or”, and by adding at the end the following new subparagraph:

“(I) a long-term family assistance recipient.”

(b) LONG-TERM FAMILY ASSISTANCE RECIPIENT.—Subsection (d) of section 51 is amended by redesignating paragraphs (10) through (12) as paragraphs (11) through (13), respectively, and by inserting after paragraph (9) the following new paragraph:

“(10) LONG-TERM FAMILY ASSISTANCE RECIPIENT.—The term ‘long-term family assistance recipient’ means any individual who is certified by the designated local agency—

“(A) as being a member of a family receiving assistance under a IV-A program (as defined in paragraph (2)(B)) for at least the 18-month period ending on the hiring date,

“(B)(i) as being a member of a family receiving such assistance for 18 months beginning after August 5, 1997, and

“(ii) as having a hiring date which is not more than 2 years after the end of the earliest such 18-month period, or

“(C)(i) as being a member of a family which ceased to be eligible for such assistance by reason of any limitation imposed by Federal or State law on the maximum period such assistance is payable to a family, and

“(ii) as having a hiring date which is not more than 2 years after the date of such cessation.”

(c) INCREASED CREDIT FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—Section 51 is amended by inserting after subsection (d) the following new subsection:

“(e) CREDIT FOR SECOND-YEAR WAGES FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—

“(1) IN GENERAL.—With respect to the employment of a long-term family assistance recipient—

“(A) the amount of the work opportunity credit determined under this section for the taxable year shall include 50 percent of the qualified second-year wages for such year, and

“(B) in lieu of applying subsection (b)(3), the amount of the qualified first-year wages, and the amount of qualified second-year wages, which may be taken into account with respect to such a recipient shall not exceed \$10,000 per year.

“(2) QUALIFIED SECOND-YEAR WAGES.—For purposes of this subsection, the term ‘qualified second-year wages’ means qualified wages—

“(A) which are paid to a long-term family assistance recipient, and

“(B) which are attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year pe-

riod with respect to such recipient determined under subsection (b)(2).

“(3) SPECIAL RULES FOR AGRICULTURAL AND RAILWAY LABOR.—If such recipient is an employee to whom subparagraph (A) or (B) of subsection (h)(1) applies, rules similar to the rules of such subparagraphs shall apply except that—

“(A) such subparagraph (A) shall be applied by substituting ‘\$10,000’ for ‘\$6,000’, and

“(B) such subparagraph (B) shall be applied by substituting ‘\$833.33’ for ‘\$500’.”

(d) REPEAL OF SEPARATE WELFARE-TO-WORK CREDIT.—

(1) IN GENERAL.—Section 51A is hereby repealed.

(2) CLERICAL AMENDMENT.—The table of sections for subpart F of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 51A.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 2004.

SEC. 504. QUALIFIED ZONE ACADEMY BONDS.

(a) IN GENERAL.—Paragraph (1) of section 1397E(e) is amended by striking “and 2003” and inserting “2003, 2004, and 2005”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued after December 31, 2003.

SEC. 505. COVER OVER OF TAX ON DISTILLED SPIRITS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking “January 1, 2004” and inserting “January 1, 2006”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to articles brought into the United States after December 31, 2003.

SEC. 506. DEDUCTION FOR CORPORATE DONATIONS OF SCIENTIFIC PROPERTY AND COMPUTER TECHNOLOGY.

(a) SCIENTIFIC PROPERTY USED FOR RESEARCH.—

(1) IN GENERAL.—Clause (ii) of section 170(e)(4)(B) (defining qualified research contributions) is amended by inserting “or assembled” after “constructed”.

(2) CONFORMING AMENDMENT.—Clause (iii) of section 170(e)(4)(B) is amended by inserting “or assembling” after “construction”.

(b) COMPUTER TECHNOLOGY AND EQUIPMENT FOR EDUCATIONAL PURPOSES.—

(1) IN GENERAL.—Clause (ii) of section 170(e)(6)(B) is amended by inserting “or assembled” after “constructed” and “or assembling” after “construction”.

(2) SPECIAL RULE EXTENDED.—Section 170(e)(6)(G) is amended by striking “2003” and inserting “2005”.

(3) CONFORMING AMENDMENTS.—Subparagraph (D) of section 170(e)(6) is amended by inserting “or assembled” after “constructed” and “or assembling” after “construction”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2003.

SEC. 507. DEDUCTION FOR CERTAIN EXPENSES OF SCHOOL TEACHERS.

(a) IN GENERAL.—Subparagraph (D) of section 62(a)(2) is amended by striking “or 2003” and inserting “, 2003, 2004, or 2005”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to expenses paid or incurred in taxable years beginning after December 31, 2003.

SEC. 508. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

(a) EXTENSION OF TERMINATION DATE.—Subsection (h) of section 198 is amended by striking “December 31, 2003” and inserting “December 31, 2005”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to expend-

itures paid or incurred after December 31, 2003.

SEC. 509. EXPANSION OF CERTAIN NEW YORK LIBERTY ZONE BENEFITS.

(a) EXTENSION OF TAX-EXEMPT BOND FINANCING.—Subparagraph (D) of section 1400L(d)(2) is amended by striking “2005” and inserting “2006”.

(b) CLARIFICATION OF BONDS ELIGIBLE FOR ADVANCE REFUNDING.—Section 1400L(e)(2)(B) (relating to bonds described) is amended by striking “, or” and inserting “or the Municipal Assistance Corporation, or”.

(c) ELECTION OUT TECHNICAL AMENDMENT.—Subsection (c) of section 1400L is amended by adding at the end the following new paragraph:

“(5) ELECTION OUT.—For purposes of this subsection, rules similar to the rules of section 168(k)(2)(C)(iii) shall apply.”

(d) EFFECTIVE DATE.—The amendments made by subsections (b) and (c) shall take effect as if included in the amendments made by section 301 of the Job Creation and Worker Assistance Act of 2002.

SEC. 510. TEMPORARY SPECIAL RULES FOR TAXATION OF LIFE INSURANCE COMPANIES.

(a) IN GENERAL.—Subsection (j) of section 809 is amended by striking “or 2003” and inserting “2003, 2004, or 2005”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2003.

SEC. 511. TAX INCENTIVES FOR INVESTMENT IN THE DISTRICT OF COLUMBIA.

(a) DESIGNATION OF ZONE.—Subsection (f) of section 1400 is amended by striking “December 31, 2003” both places it appears and inserting “December 31, 2005”.

(b) TAX-EXEMPT ECONOMIC DEVELOPMENT BONDS.—Subsection (b) of section 1400A is amended by striking “December 31, 2003” and inserting “December 31, 2005”.

(c) ZERO PERCENT CAPITAL GAINS RATE.—

(1) IN GENERAL.—Subsection (b) of section 1400B is amended by striking “January 1, 2004” each place it appears and inserting “January 1, 2006”.

(2) CONFORMING AMENDMENTS.—

(A) Section 1400B(e)(2) is amended—

(i) by striking “December 31, 2008” and inserting “December 31, 2010”, and

(ii) by striking “2008” in the heading and inserting “2010”.

(B) Section 1400B(g)(2) is amended by striking “December 31, 2008” and inserting “December 31, 2010”.

(C) Section 1400F(d) is amended by striking “December 31, 2008” and inserting “December 31, 2010”.

(d) FIRST-TIME HOMEBUYER CREDIT.—Subsection (i) of section 1400C is amended by striking “January 1, 2004” and inserting “January 1, 2006”.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on January 1, 2004.

(2) TAX-EXEMPT ECONOMIC DEVELOPMENT BONDS.—The amendment made by subsection (b) shall apply to obligations issued after the date of the enactment of this Act.

SEC. 512. COMBINED EMPLOYMENT TAX REPORTING PROGRAM.

(a) IN GENERAL.—Paragraph (1) of section 976(b) of the Taxpayer Relief Act of 1997 is amended by striking “the State of Montana for a period ending with the date which is 5 years after the date of the enactment of this Act” and inserting “any State”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to disclosures on or after the date of the enactment of this Act.

SEC. 513. ALLOWANCE OF NONREFUNDABLE PERSONAL CREDITS AGAINST REGULAR AND MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Paragraph (2) of section 26(a) is amended—

(1) by striking "RULE FOR 2000, 2001, 2002, AND 2003.—" and inserting "RULE FOR TAXABLE YEARS 2000 THROUGH 2004.—", and

(2) by striking "or 2003" and inserting "2003, or 2004".

(b) CONFORMING PROVISIONS.—

(1) Section 904(h) is amended by striking "or 2003" and inserting "2003, or 2004".

(2) The amendments made by sections 201(b), 202(f), and 618(b) of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to taxable years beginning during 2004.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 514. CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES.

(a) IN GENERAL.—Subparagraphs (A), (B), and (C) of section 45(c)(3) are each amended by striking "January 1, 2004" and inserting "January 1, 2005".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to facilities placed in service after December 31, 2003.

SEC. 515. TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR OIL AND NATURAL GAS PRODUCED FROM MARGINAL PROPERTIES.

(a) IN GENERAL.—Subparagraph (H) of section 613A(c)(6) is amended by striking "January 1, 2004" and inserting "January 1, 2005".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2003.

SEC. 516. INDIAN EMPLOYMENT TAX CREDIT.

Section 45A(f) (relating to termination) is amended by striking "December 31, 2004" and inserting "December 31, 2005".

SEC. 517. ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON INDIAN RESERVATION.

Section 168(j)(8) (relating to termination) is amended by striking "December 31, 2004" and inserting "December 31, 2005".

SEC. 518. DISCLOSURE OF RETURN INFORMATION RELATING TO STUDENT LOANS.

Section 6103(l)(13)(D) (relating to termination) is amended by striking "December 31, 2004" and inserting "December 31, 2005".

SEC. 519. EXTENSION OF TRANSFERS OF EXCESS PENSION ASSETS TO RETIREE HEALTH ACCOUNTS.

(a) AMENDMENT OF INTERNAL REVENUE CODE OF 1986.—Paragraph (5) of section 420(b) (relating to expiration) is amended by striking "December 31, 2005" and inserting "December 31, 2013".

(b) AMENDMENTS OF ERISA.—

(1) Section 101(e)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(e)(3)) is amended by striking "Tax Relief Extension Act of 1999" and inserting "Jumpstart Our Business Strength (JOBS) Act".

(2) Section 403(c)(1) of such Act (29 U.S.C. 1103(c)(1)) is amended by striking "Tax Relief Extension Act of 1999" and inserting "Jumpstart Our Business Strength (JOBS) Act".

(3) Paragraph (13) of section 408(b) of such Act (29 U.S.C. 1108(b)(3)) is amended—

(A) by striking "January 1, 2006" and inserting "January 1, 2014", and

(B) by striking "Tax Relief Extension Act of 1999" and inserting "Jumpstart Our Business Strength (JOBS) Act".

(c) MINIMUM COST REQUIREMENTS.—

(1) IN GENERAL.—Section 420(c)(3)(E) is amended by adding at the end the following new clause:

"(ii) INSIGNIFICANT COST REDUCTIONS PERMITTED.—

"(I) IN GENERAL.—An eligible employer shall not be treated as failing to meet the requirements of this paragraph for any taxable

year if, in lieu of any reduction of retiree health coverage permitted under the regulations prescribed under clause (i), the employer reduces applicable employer cost by an amount not in excess of the reduction in costs which would have occurred if the employer had made the maximum permissible reduction in retiree health coverage under such regulations. In applying such regulations to any subsequent taxable year, any reduction in applicable employer cost under this clause shall be treated as if it were an equivalent reduction in retiree health coverage.

"(II) ELIGIBLE EMPLOYER.—For purposes of subclause (I), an employer shall be treated as an eligible employer for any taxable year if, for the preceding taxable year, the qualified current retiree health liabilities of the employer were at least 5 percent of the gross receipts of the employer. For purposes of this subclause, the rules of paragraphs (2), (3)(B), and (3)(C) of section 448(c) shall apply in determining the amount of an employer's gross receipts."

(2) CONFORMING AMENDMENT.—Section 420(c)(3)(E) is amended by striking "The Secretary" and inserting:

"(i) IN GENERAL.—The Secretary".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 520. ELIMINATION OF PHASEOUT OF CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(a) IN GENERAL.—Section 30(b) is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(b) CONFORMING AMENDMENTS.—

(1) Section 53(d)(1)(B)(iii) is amended by striking "section 30(b)(3)(B)" and inserting "section 30(b)(2)(B)".

(2) Section 55(c)(2) is amended by striking "30(b)(3)" and inserting "30(b)(2)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2003.

SEC. 521. ELIMINATION OF PHASEOUT FOR DEDUCTION FOR CLEAN-FUEL VEHICLE PROPERTY.

(a) IN GENERAL.—Paragraph (1) of section 179A(b) is amended to read as follows:

"(1) QUALIFIED CLEAN-FUEL VEHICLE PROPERTY.—The cost which may be taken into account under subsection (a)(1)(A) with respect to any motor vehicle shall not exceed—

"(A) in the case of a motor vehicle not described in subparagraph (B) or (C), \$2,000,

"(B) in the case of any truck or van with a gross vehicle weight rating greater than 10,000 pounds but not greater than 26,000 pounds, \$5,000, or

"(C) \$50,000 in the case of—

"(i) a truck or van with a gross vehicle weight rating greater than 26,000 pounds, or

"(ii) any bus which has a seating capacity of at least 20 adults (not including the driver)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to property placed in service after December 31, 2003.

Subtitle B—Revenue Provisions

SEC. 531. DONATIONS OF MOTOR VEHICLES, BOATS, AND AIRPLANES.

(a) IN GENERAL.—Subsection (f) of section 170 (relating to disallowance of deduction in certain cases and special rules) is amended by adding at the end the following new paragraph:

"(11) CONTRIBUTIONS OF USED MOTOR VEHICLES, BOATS, AND AIRPLANES.—

"(A) IN GENERAL.—In the case of a contribution of a qualified vehicle in excess of \$500—

"(i) paragraph (8) shall not apply and no deduction shall be allowed under subsection

(a) for such contribution unless the taxpayer substantiates the contribution by a contemporaneous written acknowledgement of the contribution by the donee organization that meets the requirements of subparagraph (B) and includes the acknowledgement with the taxpayer's return of tax which includes the deduction, and

"(ii) if the organization sells the vehicle without any significant intervening use or material improvement of such vehicle by the organization, the amount of the deduction allowed under subsection (a) shall not exceed the gross proceeds received from such sale.

"(B) CONTENT OF ACKNOWLEDGEMENT.—An acknowledgement meets the requirements of this subparagraph if it includes the following information:

"(i) The name and taxpayer identification number of the donor.

"(ii) The vehicle identification number or similar number.

"(iii) In the case of a qualified vehicle sold by the donee organization—

"(I) a certification that the vehicle was sold in an arm's length transaction between unrelated parties,

"(II) the gross proceeds from the sale, and

"(III) the amount of such gross proceeds is the deductible amount.

"(iv) In the case of a qualified vehicle to which subparagraph (A)(ii) does not apply—

"(I) a certification of the intended use or material improvement of the vehicle and the intended duration of such use, and

"(II) a certification that the vehicle would not be transferred in exchange for money, other property, or services before completion of such use or improvement.

"(C) CONTEMPORANEOUS.—For purposes of subparagraph (A), an acknowledgement shall be considered to be contemporaneous if the donee organization provides it within 30 days of—

"(i) the sale of the qualified vehicle, or

"(ii) in the case of an acknowledgement including a certification described in subparagraph (B)(iv), the contribution of the qualified vehicle.

"(D) INFORMATION TO SECRETARY.—A donee organization required to provide an acknowledgement under this paragraph shall provide to the Secretary the information contained in the acknowledgement. Such information shall be provided at such time and in such manner as the Secretary may prescribe.

"(E) QUALIFIED VEHICLE.—For purposes of this paragraph, the term 'qualified vehicle' means any—

"(i) self-propelled vehicle manufactured primarily for use on public streets, roads, and highways,

"(ii) boat, or

"(iii) airplane.

Such term shall not include any property which is described in section 1221(a)(1).

"(F) REGULATIONS OR OTHER GUIDANCE.—The Secretary shall prescribe such regulations or other guidance as may be necessary to carry out the purposes of this paragraph."

(b) PENALTY FOR FRAUDULENT ACKNOWLEDGMENTS.—

(1) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended adding at the end the following new section:

"SEC. 6717. FRAUDULENT ACKNOWLEDGMENTS WITH RESPECT TO DONATIONS OF MOTOR VEHICLES, BOATS, AND AIRPLANES.

"Any donee organization required under section 170(f)(11)(A) to furnish a contemporaneous written acknowledgment to a donor which knowingly furnishes a false or fraudulent acknowledgment, or which knowingly fails to furnish such acknowledgment in the

manner, at the time, and showing the information required under section 170(f)(11), or regulations prescribed thereunder, shall for each such act, or for each such failure, be subject to a penalty equal to—

“(1) in the case of an acknowledgment with respect to a qualified vehicle to which section 170(f)(11)(A)(ii) applies, the greater of the value of the tax benefit to the donor or the gross proceeds from the sale of such vehicle, and

“(2) in the case of an acknowledgment with respect to any other qualified vehicle to which section 170(f)(11) applies, the greater of the value of the tax benefit to the donor or \$5,000.”.

(2) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by adding at the end the following new item:

“Sec. 6717. Fraudulent acknowledgments with respect to donations of motor vehicles, boats, and airplanes.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions after June 30, 2004.

SEC. 532. CHANGE IN EFFECTIVE DATE.

Section 476(c) of this Act is amended by striking “December 31, 2003” and inserting “November 18, 2003”.

SEC. 533. ADDITION OF VACCINES AGAINST INFLUENZA TO LIST OF TAXABLE VACCINES.

(a) IN GENERAL.—Section 4132(a)(1) (defining taxable vaccine) is amended adding at the end the following new subparagraph:

“(M) Any trivalent vaccine against influenza.”.

(b) CONFORMING AMENDMENT.—Section 9510(c)(1)(A) is amended by striking “October 18, 2000” and inserting “the date of the enactment of the Jumpstart Our Business Strength (JOBS) Act”.

(b) EFFECTIVE DATE.—

(1) SALES, ETC.—The amendment made by this section shall apply to sales and uses on or after the later of—

(A) the first day of the first month which begins more than 4 weeks after the date of the enactment of this Act, or

(B) the date on which the Secretary of Health and Human Services lists any vaccine against influenza for purposes of compensation for any vaccine-related injury or death through the Vaccine Injury Compensation Trust Fund.

(2) DELIVERIES.—For purposes of paragraph (1) and section 4131 of the Internal Revenue Code of 1986, in the case of sales on or before the effective date described in such paragraph for which delivery is made after such date, the delivery date shall be considered the sale date.

SEC. 534. TREATMENT OF CONTINGENT PAYMENT CONVERTIBLE DEBT INSTRUMENTS.

(a) IN GENERAL.—Section 1275(d) (relating to regulation authority) is amended—

(1) by striking “The Secretary” and inserting the following:

“(1) IN GENERAL.—The Secretary”, and

(2) by adding at the end the following new paragraph:

“(2) TREATMENT OF CONTINGENT PAYMENT CONVERTIBLE DEBT.—

“(A) IN GENERAL.—In the case of a debt instrument which—

“(i) is convertible into stock of the issuing corporation, or a corporation in control of, or controlled by, the issuing corporation, and

“(ii) provides for contingent payments, any regulations which require original issue discount to be determined by reference to the comparable yield of a noncontingent debt instrument also shall require that such comparable yield be determined by reference

to a noncontingent debt instrument which is convertible into stock.

“(B) SPECIAL RULES.—For purposes of subparagraph (A)—

“(i) the comparable yield shall be determined without taking into account the yield resulting from the conversion of a debt instrument into stock, and

“(ii) the term ‘control’ has the meaning given such term by section 368(c).”.

(b) CROSS REFERENCE.—Section 163(e)(6) (relating to cross references) is amended by adding at the end the following:

“For the treatment of contingent payment convertible debt, see section 175(d)(2).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to debt instruments issued after the date of the enactment of this Act.

SEC. 535. MODIFICATION OF CONTINUING LEVY ON PAYMENTS TO FEDERAL VENDORS.

(a) IN GENERAL.—Section 6331(h) (relating to continuing levy on certain payments) is amended by adding at the end the following new paragraph:

“(3) INCREASE IN LEVY FOR CERTAIN PAYMENTS.—Paragraph (1) shall be applied by substituting ‘100 percent’ for ‘15 percent’ in the case of any specified payment due to a vendor of goods or services sold or leased to the Federal Government.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SA 2688. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 179, after line 25, add the following:

SEC. ____ . RESTORATION OF DEDUCTION FOR TRAVEL EXPENSES OF SPOUSE, ETC. ACCOMPANYING TAXPAYER ON BUSINESS TRAVEL.

(a) IN GENERAL.—Subsection (m) of section 274 (relating to additional limitations on travel expenses) is amended by striking paragraph (3).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act.

SA 2689. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title III, insert:

SEC. ____ . DEDUCTION FOR CERTAIN EXPENSES INCURRED IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.

(a) IN GENERAL.—Section 170 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

“(m) EXPENSES PAID BY CERTAIN WHALING CAPTAINS IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.—

“(1) IN GENERAL.—In the case of an individual who is recognized by the Alaska Eskimo Whaling Commission as a whaling captain charged with the responsibility of maintaining and carrying out sanctioned whaling activities and who engages in such activities during the taxable year, the amount described in paragraph (2) (to the extent such amount does not exceed \$10,000 for the taxable year) shall be treated for purposes of this section as a charitable contribution.

“(2) AMOUNT DESCRIBED.—

“(A) IN GENERAL.—The amount described in this paragraph is the aggregate of the reasonable and necessary whaling expenses paid by the taxpayer during the taxable year in carrying out sanctioned whaling activities.

“(B) WHALING EXPENSES.—For purposes of subparagraph (A), the term ‘whaling expenses’ includes expenses for—

“(i) the acquisition and maintenance of whaling boats, weapons, and gear used in sanctioned whaling activities,

“(ii) the supplying of food for the crew and other provisions for carrying out such activities, and

“(iii) storage and distribution of the catch from such activities.

“(3) SANCTIONED WHALING ACTIVITIES.—For purposes of this subsection, the term ‘sanctioned whaling activities’ means subsistence bowhead whale hunting activities conducted pursuant to the management plan of the Alaska Eskimo Whaling Commission.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to contributions made after December 31, 2003.

SA 2690. Mrs. FEINSTEIN (for herself, Mr. CONRAD, and Mrs. BOXER) submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 71, between lines 2 and 3, insert the following:

(f) EXCEPTION FOR AUDIOVISUAL SERVICES.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall not apply to extraterritorial income derived from audiovisual services.

(2) COORDINATION WITH DEDUCTION FOR INCOME ATTRIBUTABLE TO UNITED STATES PRODUCTION ACTIVITIES.—The deduction under section 199 of the Internal Revenue Code of 1986, as added by section 102 of this Act, shall not apply to any income described in paragraph (1).

(3) COORDINATION WITH TRANSITION RULES.—The base period amount under subsection (e)(4) shall not take into account extraterritorial income derived from audiovisual services.

(4) AUDIOVISUAL SERVICES.—For purposes of this subsection, the term “audiovisual services” means such activities as are treated as audiovisual services for purposes of the General Agreement on Trade in Services referred to in section 101(d)(14) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(14)).

SA 2691. Ms. SNOWE (for herself, Mr. LOTT, Mr. BREAUX, Mr. ALLEN, Mr. WARNER, Mrs. BOXER, Mr. BUNNING, Mr. COCHRAN, Ms. COLLINS, Mr. CHAFEE, Mr.

DODD, Mrs. DOLE, Mrs. FEINSTEIN, Ms. LANDRIEU, and Mr. KOHL) submitted an amendment intended to be proposed by her to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title III, add the following:

SEC. ____ METHOD OF ACCOUNTING FOR NAVAL SHIPBUILDERS.

(a) IN GENERAL.—Notwithstanding section 10203(b)(2)(B)(i) of the Revenue Act of 1987, in the case of a qualified naval ship contract, the taxable income of such contract shall be determined under a method identical to the method used in the case of a qualified ship contract (as defined in section 10203 of the Revenue Act of 1987).

(b) QUALIFIED NAVAL SHIP CONTRACT.—For purposes of this section—

(1) IN GENERAL.—The term “qualified naval ship contract” means any contract or portion thereof that is for the construction in the United States of 1 ship or submarine for the Federal Government if the taxpayer reasonably expects the delivery date or the warranty expiration date will occur no later than 8 years after the construction commencement date.

(2) DELIVERY DATE.—The term “delivery date” means the date on which the Federal Government issues a letter of acceptance or other similar document for the ship or submarine.

(3) WARRANTY EXPIRATION DATE.—The term “warranty expiration date” means the date on which the construction contractor’s responsibility to perform work or service on the ship or submarine under the contract is terminated.

(4) CONSTRUCTION COMMENCEMENT DATE.—The term “construction commencement date” means the date on which the physical fabrication of any section or component of the ship or submarine begins.

(c) EFFECTIVE DATE.—This section shall apply to contracts for ships or submarines for which the Federal Government has issued a letter of acceptance or other similar document after the date of the enactment of this Act.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. HATCH. Madam President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on March 4, 2004, at 9:30 a.m., in open and closed session to receive testimony on Military Strategy and Operational Requirements, in review of the Defense Authorization Request for fiscal year 2005.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. HATCH. Madam President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, March 4, 2004, at 2:30

p.m., on the nominations of Rhonda Keenum, to be Assistant Secretary and Director General of the U.S. and Foreign Commercial Service for the Department of Commerce, Linda Combs, to be Assistant Secretary for Budget and Programs and Chief Financial Officer for the Department of Transportation, Douglas Buttrey and Francis Mulvey, to be Members of the Surface Transportation Board, in SR-253.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. HATCH. Madam President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, March 4th at 10 a.m.

The purpose of the hearing is to review the Energy Information Administration (EIA) Annual Energy Outlook 2004 Report regarding the supply, demand and price projections for oil, natural gas, nuclear, coal and renewable resources, focusing on oil and natural gas. In addition, commercial and market perspectives on the state of oil and natural gas markets will be considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. HATCH. Madam President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, March 4, 2004, at 9:30 a.m. to hold a Business Meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. HATCH. Madam President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, March 4, 2004, at 2:30 p.m. to hold a Subcommittee hearing on Hong Kong.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. HATCH. Madam President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on Higher Education and the Workforce: Issues for Reauthorization of the Higher Education Act during the session of the Senate on Thursday, March 4, 2004, at 10 a.m. in SD-430.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. HATCH. Madam President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, March 4, 2004, at 9:30 a.m., in Dirksen Senate Building Room 226

Agenda

I. Nominations: Henry W. Saad to be U.S. Circuit Judge for the Sixth Circuit; William James Haynes II to be

U.S. Circuit Judge for the Fourth Circuit; Raymond W. Gruender to be U.S. Circuit Judge for the Eighth Circuit; Franklin S. Van Antwerpen to be U.S. Circuit Judge for the Third Circuit; Diane S. Sykes to be U.S. Circuit Judge for the Seventh Circuit; Louis Guirola, Jr., to be U.S. Circuit Judge for the Southern District of Mississippi; Judith C. Herrera to be U.S. District Judge for the District of New Mexico; Virginia E. Hopkins to be U.S. District Judge for the Northern District of Alabama; Kenneth M. Karas to be U.S. District Judge for the Southern District of New York; F. Dennis Saylor to be U.S. District Judge for the District of Massachusetts; Sandra L. Townes to be U.S. District Judge for the Eastern District of New York; Ricardo S. Martinez to be U.S. District Judge for the Western District of Washington; Gene E.K. Pratter to be U.S. District Judge for the Eastern District of Pennsylvania; Neil Vincent Wake to be U.S. District Judge for the District of Arizona; William S. Duffey, Jr., to be U.S. District Judge for the Northern District of Georgia; James L. Robart to be U.S. District Judge for the Western District of Washington; Juan R. Sanchez to be U.S. District Judge for the Eastern District of Pennsylvania; Lawrence F. Stengel to be U.S. District Judge for the Eastern District of Pennsylvania; Michele M. Leonhart to be Deputy Administrator of Drug Enforcement; Domingo S. Herraiz to be Director of the Bureau of Justice Assistance Department of Justice; LaFayette Collins to be U.S. Marshal for the Western District of Texas, and Ronald J. Tenpas to be U.S. Attorney for the Southern District of Illinois.

II. Executive Session.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. HATCH. Madam President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate on Thursday, March 4, 2004, for a joint hearing with the House of Representatives Committee on Veterans' Affairs, to hear the legislative presentations of the Non-Commissioned Officers Association, the Military Order of the Purple Heart, the Paralyzed Veterans of America, Jewish War Veterans, and Blinded Veterans Association. The hearing will take place in room 345 of the Cannon House Office Building at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. HATCH. Madam President, I ask unanimous consent that the Select Committee on intelligence be authorized to meet during the session of the Senate on March 4, 2004, at 2:30 p.m., to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY

Mr. HATCH. Madam President, I ask unanimous consent that the Subcommittee on Energy of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, March 4, at 2:30 p.m., to receive testimony regarding new nuclear power generation in the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MARKETING, INSPECTION,
AND PRODUCT PROMOTION

Mr. HATCH. Madam President, I ask unanimous consent that the Subcommittee on Marketing, Inspection, and Product Promotion of the Committee on Agriculture, Nutrition, and Forestry be allowed to conduct a hearing during the session of the Senate on Thursday, March 4, 2004. The purpose of this hearing will be to discuss the development of a national animal identification plan.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PERSONNEL

Mr. HATCH. Madam President, I ask unanimous consent that the Subcommittee on Personnel of the Committee on Armed Services be authorized to meet during the session of the Senate on March 4, 2004, at 2:30 p.m., in open session to receive testimony on compensation, benefits and health care for active and reserve military personnel and their families, in review of the defense authorization request for fiscal year 2005.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. HARKIN. Madam President, I ask unanimous consent that the privilege of the floor be granted to Rob Sand of my staff for the duration of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS. Madam President, I ask unanimous consent that Cathleen West, a fellow on the Finance Committee staff, be granted the privileges of the floor for the remainder of the debate on S. 1637.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREE-
MENT—BUDGET RESOLUTION

Mr. MCCONNELL. Mr. President, I ask unanimous consent that on Monday, March 8, at noon, the Senate proceed to the budget resolution, if available and qualified.

The PRESIDING OFFICER. Without objection, it is so ordered.

GALISTEO BASIN ARCHAEO-
LOGICAL SITES PROTECTION
ACT

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Sen-

ate proceed to the immediate consideration of Calendar No. 368, H.R. 506.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 506) to provide for the protection of archaeological sites and the Galisteo Basin in New Mexico, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the bill be read the third time, passed, that the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD as if read, without intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 506) was read the third time and passed.

FORT BAYARD NATIONAL
HISTORIC LANDMARK ACT

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 286, H.R. 2059.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2059) to designate Fort Bayard Historic District in the State of New Mexico as a National Historic Landmark, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the bill be read the third time, passed, and the motion to reconsider be laid upon the table; that any statements relating thereto be printed in the RECORD as if read, without intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2059) was read the third time and passed.

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the Democratic Leader pursuant to Public Law 108-176, appoints the following individual to serve as a member of the National Commission of Small Community Air Service: Robb B. Sexauer of South Dakota.

The Chair, on behalf of the Democratic Leader, pursuant to Public Law 108-199, appoints the following individuals to serve as members of the Abraham Lincoln Study Abroad Fellowship Program: the Senator from Illinois, RICHARD J. DURBIN and Brad R. Heegel of South Dakota.

ORDERS FOR MONDAY, MARCH 8,
2004

Mr. MCCONNELL. Mr. President, I ask unanimous consent that when the

Senate completes its business today, it adjourn until 12 noon, Monday, March 8. I further ask unanimous consent that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then begin consideration of the fiscal year 2005 budget resolution, if available, as provided under the previous order. I further ask unanimous consent that notwithstanding the Senate's adjournment, it be in order for the Foreign Relations and Budget Committees to file legislation from 10 a.m. to 12 noon tomorrow.

Mr. REID. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, this has been a difficult week from many perspectives. We had two contentious pieces of legislation, and we certainly understand that on this side. As far as the legislation now before the Senate, it should not be such. I think there is no question that the majority of the Senate by far wants to pass the legislation that has been before the Senate today and yesterday.

The issue that is now holding up this legislation is whether the Senate is going to vote on an overtime amendment that is being offered by Senator HARKIN. It is an issue that we feel strongly about on this side. We want to vote on whether the President should go forward with these regulations. We want to vote. We will take a half hour evenly divided, we will take 20 minutes evenly divided to get a vote on this amendment. We are not stalling for time.

This is something that will have to be dealt with sometime during the next month or so in this legislature. We are willing to work in any way to cooperate and get this bill done, but one of the things we can't do is not have a vote on this overtime issue. Senator DASCHLE and I have talked with Senator HARKIN on four occasions at my last count. We said: Senator HARKIN, don't offer this amendment; this legislation is important; we are trying to get it passed. He has reluctantly agreed every time not to move forward with this legislation.

That is no longer part of what we are able to do. We talked with Senator HARKIN. He has been such a gentleman as to how we proceeded on this. He will continue to be a gentleman, but he is not going to relent offering this legislation because we do not think he should anymore.

I say that with the full knowledge that on this very important piece of legislation we are willing to vote, we are willing to discuss the amendments that Senators GRASSLEY and BAUCUS have. They want to improve the legislation. I think they can do that, and I think their amendments will be supported.

The second-degree amendment now before the Senate is not a bad amendment. I think the tax credit should be extended to sun and geothermal, but this extends it to wind. That is certainly a small bite of the apple that needs to be done.

I know the obligations and the burdens of the majority are difficult. We, not too long ago, were in the majority, and it is very hard to move legislation through this body. We need a vote on this overtime issue, and we hope and we are going to press as hard as we can to get a vote on it sometime in the near future.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, there is no objection then?

Mr. REID. No objection whatsoever.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCONNELL. Mr. President, let me say to my friend from Nevada, we fully understand the minority or, for that matter, any Member of the Senate has a right to offer a nongermane amendment to an underlying piece of legislation, but we had an unfortunate experience earlier this very week in which the offering and the adoption of amendments unrelated to the underlying bill ended up killing the bill that

both the Senator from Nevada and myself had hoped would pass.

We already had one vote on the overtime issue late last year. I do not know how many times the minority would like for us to repeat that vote.

It is the belief of this Senator that on a bipartisan basis Senator GRASSLEY and Senator BAUCUS would like to pass the FSC/ETI bill without any unrelated amendments on it. There is some resistance on this side of the aisle to repeatedly voting over and over again on amendments upon which we have already had a vote.

That having been said, I fully understand what the Senator is saying, that they would like to have a vote on the overtime issue. I don't think that is necessarily the view of everyone on that side of the aisle but may well be the view of the majority on that side of the aisle.

PROGRAM

Mr. McCONNELL. Mr. President, on Monday, the Senate will begin consideration of the budget resolution. Senator NICKLES and Senator CONRAD will be here on Monday morning to kick off the debate on that important matter and receive any amendments that may be offered on Monday.

It is the intention of the managers to have a full day of debate on the resolution during Monday's session. At this time, I will say that rollcall votes are possible Monday evening. A vote or votes may occur in relation to amendments on the budget resolution or judicial nominations. We will alert Members when a vote becomes locked in for a certain time.

I remind my colleagues that under budget procedures, there will be up to 50 hours of debate on the resolution, and we will complete action on the budget prior to adjourning for the March recess. Therefore, our colleagues should expect a very busy week next week with late night sessions and votes throughout the week. I encourage all Members to arrange their schedules accordingly.

ADJOURNMENT UNTIL MONDAY, MARCH 8, 2004

Mr. McCONNELL. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:02 p.m. adjourned until Monday, March 8, 2004, at 12 noon.